Unincorporated Associations

IRS STATUTORY WALKTHROUGH

Revocation of Election

A statutory walkthrough of the IRS codes behind the Revocation of Election process.

UNINCORPORATED ASSOCIATIONS

TABLE OF CONTENTS

01–07

01 Introduction

02 Key Concepts

03 Definitions

04 Who Is Subject to the Tax?

05 Resident Alien and Nonresident Alien

06 Revoking Your Election

07 Summary

1. Introduction

The IRS Code is an intentional, hidden maze of confusion designed to make people believe the codes and statutes it publishes apply to everyone. If the truth were known, the entire tax industry would collapse overnight: tax professionals would lose their jobs, TurboTax and QuickBooks would no longer sell their software, and H&R Block and other tax-preparation businesses would close their doors.

People trust those with licenses because studying something you assume already applies to you feels overwhelming and pointless. After all, that's what licensed professionals do. They get paid to study it, right? If that's your perspective, it was certainly mine too, until I discovered in 2009 that the system is voluntary. From that point on, I forced myself to learn what I needed to know.

This document is designed to give you a Reader's Digest version, if you're old enough to remember that TV guide, of the maze, and to save you a lot of time by sharing the remedy for leaving the tax game behind. The remedy for exiting the system is to cancel your 'Election.' As dumb as this sounds, the IRS calls a voluntary filing for a given year 'an Election.' For example, if you already filed a 2025 tax return, they say 'you made an election for 2025.' Isn't that nice of them? You elected to file a tax contract.

Most likely, you've been making 'Elections' all the way back to when you were sixteen years old working at Burger King, because no adult in your life told you NOT to make 'an Election' by NOT filing a 1040 tax return. The 1040 is a federal tax form applicable only to the federal government territory called the District of Columbia. The 16th Amendment, when passed into law in 1913, was a tax only on the federal government. For more on the passing of the 16th Amendment, please watch Module 2 on our website, www.unincorporatedassociations.com.

Once you discover the trick and stop making 'Elections,' you simply opt out of the voluntary (Election-style) system by formally notifying them that you're terminating your 'Election.' They call this process a 'Revocation of Election.' I did this myself in 2019, and it ended a nearly ten-year effort, between 2009 and 2019, during which the debt collector agency known as the IRS was attempting to administratively collect a tax from me. I share a lot more of my story in my book, in my videos, and during our daily 10 a.m. Q&A sessions.

The purpose of this document is to go straight to their own trickery, their codes, to demonstrate what they actually mean. Just know that I, along with the thousands of others we've helped, have ALL had success, because it IS their own opting-out process. They cannot scam you for the rest of your life once you've discovered their scheme.

This document isn't meant to be an exhaustive list of codes and their tricky definitions. It only covers the major points relevant to the opting-out process. To better understand the intentionally disguised format by which U.S. Code Title 26, the federal income tax, is written to conceal whom the tax applies to, please consider watching this video @ www.livetaxfree.net/uscode. This video explains how the first four chapters of U.S. Code Title 26 are general in nature, while the specific codes are scattered nonsequentially

throughout, so that very few people can piece the puzzle together. Understanding this, that the specific tax laws defining who they apply to are deliberately buried across chapters, within disconnected topics and in random order, is crucial before I walk you through the remedy for opting out as a taxpayer.

2. Key Concepts

Here are the key issues to know:

"United States"	When using the term "United States," the U.S. Code defines it to geographically mean the District of Columbia and connected federal territories.
"U.S. Citizen" or "Resident of the United States"	The terms "U.S. Citizen" and "Resident of the United States" are interchangeable in the U.S. Code. Both definitions mean a person who is only subject to the District of Columbia and therefore a taxpayer. The terms do not apply to anybody living in the 50 states and not working for the federal government.
"Nonresident Alien"	The term "Nonresident Alien" is used exclusively in the U.S. Code to mean neither a "U.S. Citizen" nor a "Resident of the United States," which means not subject to the District of Columbia and not a taxpayer. Therefore, a Nonresident Alien is anybody living in the 50 states and not working for the federal government.

3. Definitions

THE CENTRAL POSITION

Every "person" subject to federal income tax is under the jurisdiction of the District of Columbia.

26 U.S.C. § 7701(a)(9): Definition of "United States"

> *"The term 'United States' when used in a geographical sense includes only the States and the District of Columbia."*
>
> **NOTE:** This is saying that "States" and the "District of Columbia" together make up the "United States." It is not saying "50 states." That's the trick. Let's look at the very next definition.

26 U.S.C. § 7701(a)(10): Definition of "State"

> *"The term 'State' shall be construed to include the District of Columbia, where such construction is necessary to carry out provisions of this title."*
>
> **NOTE:** When a definition in law uses the word "includes," it exclusively means only what follows. In this case, "State" means "the District of Columbia."
>
> **CONCLUSION:** This means § 7701(a)(9) is effectively saying: "The term 'United States' when used in a geographical sense includes only the States (the District of Columbia) and the District of Columbia." That's pretty tricky, huh!

In addition to the Title 26 provisions we just looked at, check out UCC § 9-307(h) below, which also clearly tells us where the "United States" is located.

U.C.C. § 9-307(h): Location of the United States

> *"The United States is located in the District of Columbia."*

4. Who Is Subject to the Tax?

Now that we've established the "United States" is located in the District of Columbia, let's define who is subject to the tax and who is not.

A U.S. Citizen or a Resident of the United States is a person subject to the jurisdiction of the District of Columbia. Before we move on to the terminology the IRS uses for those who are not subject to that jurisdiction, look at this definition for a person not living in the "United States":

26 U.S.C. § 7701(a)(39): Persons Residing Outside the United States

> *"If any citizen or resident of the United States does not reside in (and is not found in) any United States judicial district, such citizen or resident shall be treated as residing in the District of Columbia for purposes of any provision of this title relating to—"*
>
> *"(A) jurisdiction of courts, or (B) enforcement of summons."*
>
> **NOTE:** Notice that this code, regarding enforcement of the federal income tax, connects a person not residing in any United States judicial district to be treated as residing in the District of Columbia by direct inference.
>
> **CONCLUSION:** Federal income tax enforcement can only be levied upon the District of Columbia and anybody submitting to it, either by residence or by 'Election' (filing a 1040 tax return), which we are about to cover.

5. Resident Alien and Nonresident Alien

The IRS calls everybody not subject to the District of Columbia "an alien." The process by which a person becomes a U.S. Citizen or Resident of the United States is to "make an Election." What does that mean? It means you elected to file a tax return. If you file a tax return, you're a "Resident Alien," and by not filing one, you're a "Nonresident Alien." Look carefully here:

26 U.S.C. § 7701(b)(1): Resident Alien

> *"For purposes of this title (other than subtitle B)—"*
>
> *"(A) Resident alien. An alien individual shall be treated as a resident of the United States with respect to any calendar year if (and only if) such individual meets the requirements of clause (i), (ii), or (iii). (iii) First-year election. Such individual makes the election provided in paragraph (4)."*
>
> **NOTE:** This is saying that an "alien," somebody not subject to the "United States," meaning the District of Columbia, becomes a resident of the United States by filing a tax return and making an Election. More specifically, it happens when they make a first-year Election.

Now let's look at how tricky the IRS gets when describing a person not subject to the "United States" (meaning the District of Columbia): they call them a Nonresident and an Alien… a Nonresident Alien.

26 U.S.C. § 7701(b)(1)(B): Nonresident Alien

> *"An individual is a nonresident alien if such individual is neither a citizen of the United States nor a resident of the United States (within the meaning of subparagraph* (A)*)."*
>
> **NOTE:** Basically, a nonresident alien is simply anybody living in the 50 states and not working for the federal government, until they make a first-year "Election," meaning, until the first year they file a tax return. This happened to all of us at a young age upon getting our first job.

So, we've defined the "United States" as "the District of Columbia" and established that a person subject to the tax is called a "U.S. Citizen" or a "Resident of the United States." We've also defined a "Nonresident Alien" as someone who is neither a U.S. Citizen nor a Resident of the United States. And we've covered how a "Nonresident Alien," in tax language, becomes a taxpayer by making "an Election," filing a tax return, after which they're called a "Resident Alien" (a person subject to the United States while not living in the District of Columbia). Now let's bring forth the remedy they spell out for opting out of "the Election" process by revoking your election. Let's look at the code where that remedy lies: they bury it in the joint filing code.

6. Revoking Your Election

Some people who oppose the ROE (Revocation of Election) point out that this section of the U.S. Code deals with married people and joint returns. Ah, yes, the trick is to send you chasing a red herring! First, ask yourself how bizarre the language we've covered so far really is. If you live outside the "United States," you're a nonresident alien because you're not subject to the District of Columbia, and making an "Election" is what makes you subject to the federal income tax. So what's another way to make an "Election"? A joint tax return! Whether you file an individual return or a joint return, the result is the same: a nonresident alien becomes a resident alien.

26 U.S.C. § 6013(a)(1): Joint Returns

> *"No joint return shall be made if either the husband or wife at any time during the taxable year is a nonresident alien."*
>
> **NOTE:** Look at how this section begins: it's simply stating what a nonresident alien is: one who hasn't filed a joint tax return, hasn't made an "Election." This same person obviously has not filed an individual tax return either. After this section opens with the statement that a nonresident alien SHALL NOT make a joint return, there's no further mention of the nonresident alien until subsection (g). That subsection says that by making an "Election," they become a "resident of the United States" (a resident alien), exactly as stated in 26 U.S.C. § 7701(b)(1)(A)(iii) above.

26 U.S.C. § 6013(g): Election to Treat a Nonresident Alien as a Resident of the United States

> *"(1) In general. A nonresident alien individual with respect to whom this subsection is in effect for the taxable year shall be treated as a resident of the United States—"*
>
> *"(2) Individuals with respect to whom this subsection is in effect. This subsection shall be in effect with respect to any individual who, at the close of the taxable year for which an election under this subsection was made…"*
>
> **NOTE:** 26 U.S.C. § 6013(g)(1) & (2) states that a nonresident alien becomes subject to the tax and is treated as a "Resident of the United States" by making an "Election." Right after that description is the remedy: notifying the IRS of your choice to revoke your "Election."

26 U.S.C. § 6013(g)(4): Termination of Election

> *"An election under this subsection shall terminate at the earliest of the following times:"*
>
> *"(A) Revocation by taxpayers. If either taxpayer revokes the election, as of the first taxable year for which the last day prescribed by law for filing the return of tax under chapter 1 has not yet occurred."*
>
> **NOTE:** Any person who for a given tax year does not actively reside in the District of Columbia nor work for the federal government can notify the IRS of their choice to terminate their "Election," and their status will be changed to a "Nonresident Alien," a nontaxpayer.

7. Summary

If you don't live in the District of Columbia or work for a federal agency called the "United States," you're a "Nonresident Alien," a term for someone outside the jurisdiction of the "United States," meaning the District of Columbia. So, a "Nonresident Alien," in tax language, is a nontaxpayer.

The bizarre snag catching you up on the federal income tax is that you made an "Election" at a young age when you filed your first tax return, and have likely made "Elections" nearly every year since. When you tender a properly executed "Revocation of Election" notice to the IRS, you're canceling your "Election." Who would keep making "Elections" if they didn't owe the tax? Nobody!

Learn More

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