

Organizational War Tax Resistance, Employers, Contractors, and Financial Institutions

Many people who are conscientiously opposed to paying taxes for war have assets controlled by someone else, such as an employer, a bank, a credit union, or a retirement fund. IRS reporting requirements and regulations regarding self-employment give rise to a larger role for employers, payers of independent contractors, and financial institutions in tax reporting and collection than in the past. As a result, the ability for individuals to earn an income, transact financial business, sign up for health insurance, apply for financial aid, or hold assets without coming under IRS scrutiny is compromised. War tax resisters may find themselves dependent on organizational support to help keep their funds from collection.

Includes:

*Legal actions
to support
conscience*

*Withholding,
Reporting,
Levies*

*Corporate
civil
disobedience*

*Tax exempt
status*

*Political
repression*

*Peace tax
legislation*

*Real-life
stories
throughout*

This publication is one of a series of “practicals” that offer ideas, tips, and information for individuals who want to cut off their financial support for the U.S. war machine or are currently practicing war tax resistance. The full list of the “Practical Series” appears at the end of the text along with other relevant resources. Here we will discuss the options and consequences for organizations taking a stand on war tax resistance. This is not intended to be a complete resource on the legal issues involved in organizational war tax resistance. Further research is encouraged before taking actions that may involve civil disobedience to tax regulations; others allow it to take place. Either path offers opportunities to witness against militarism. Which path to choose is a personal decision according to individual motivations and circumstances.

ORGANIZATIONAL CONSCIENCE

Before the 1940s, organizations had little to do with individual income taxes. During World War II the income tax rates went up and the employer tax withholding system was established.

Because of patriotic support for the war, there was little or no protest of these changes. Even religious and pacifist groups, although working on conscientious objector status to military service, didn't pay much attention to the money draft.

After the Korean War, a few individuals challenged their employers not to withhold taxes from their wages and not to cooperate with IRS levies. However, even among progressive religious and secular groups, very few employers refused cooperation with the income tax laws. Today, most still see conscientious objection to war taxes as an individual, not an organizational, issue. The Friends Committee on War Tax Concerns engaged in the first serious effort to educate and organize around employers and war tax resistance in the mid-to-late 1980s, with some progress. When the Committee was discontinued around 1989, no work on employer issues occurred until the National War Tax Resistance Coordinating Committee, authors of this publication, picked it up in 1996.

WAR RESISTERS LEAGUE (WRL) has a long history of supporting war tax resisters on the staff going back to 1956. At that time Ralph DiGia asked the board of the WRL not to withhold federal taxes from his paychecks. WRL agreed, and eventually other WRL employees followed Ralph's lead in asking WRL not to withhold from their paychecks. For a long time, the IRS ignored the situation, but in 1974 they froze WRL's bank account and seized the entire account balance of \$2,537.43, about a thousand dollars less than they said was owed for resisted employee tax dollars. A few years later, the IRS placed a levy on Ralph's salary. Because of WRL's policy of not honoring IRS levies, the IRS sued WRL in U.S. District Court in 1978 for amounts that WRL willfully refused to pay under the levy. In its December 1979 ruling, the court did not challenge the sincerity of WRL's professed opposition to war. However, the court ruled in favor of the government, ruling that WRL had no constitutional right to refuse taxes based on religious or conscientious objection. In 1981, WRL refused to cooperate with a request by the government to list its assets as an aid to collection of the judgment in the lawsuits. Two years later the U.S. Department of Justice seized \$1,228.23 from WRL's bank account.

After war tax resisters developed the method of adjusting allowances to resist withholding, the organization has followed IRS regulations for withholding, and individual staff members make the adjustments to allow resistance (see Practical #1). The organization has maintained a policy of refusing to honor IRS levies by not replying when levy is sent for war tax resisting staff members. On occasion IRS agents have called or visited WRL with levies against particular staff members, but no one on staff is willing to accept levies from the IRS. They have not enforced any levy or seized assets again, even for individual resisters who were on staff for more than a decade.

WRL has a written policy covering the role of the organization and responsibilities of war tax resisting staff members.

APPROACHING AN ORGANIZATION ABOUT WAR TAX RESISTANCE

As noted above, few groups see conscientious objection to war taxes as an organizational issue. Action they take is usually in response to the requests of individuals. However, some religious and secular organizations that are pacifist in philosophy have developed specific policies on war tax resistance. Others that work to promote peace and justice may be sympathetic to the idea. Still others may be willing to advocate for an employee or account holder because they think the IRS is acting unfairly or is denying individual rights.

Just as individuals are concerned about the consequences to themselves if they engage in war tax resistance, organizations and institutions often worry that taking a stand on war taxes could adversely affect their business, their corporate mission, or the personal finances of their employees. Unfortunately, because of public relations efforts that portray the IRS as all-powerful, many institutions are intimidated and neglect to take even legally proper steps in support of a conscientious position. More might be willing to take action, either legally sanctioned or not, if they were clearly informed of their options and the real extent and nature of the risks involved.

If an organization or institution has not already developed a position of support for conscientious objection to paying for war, war tax resisters may have difficulty figuring out the best way to approach the subject. Do they tell their employers before taking new jobs that they are war tax resisters? Do they warn a bank that a levy notice may be arriving in the mail?

Individuals' decisions about if, when, or how to approach an organization will be based on many factors, such as their personal financial situation, their relationship to the organization, and the level of awareness of political issues within the organization, among others. Ideas about what actions are most effective also influence this decision; some war tax resisters (WTRs) believe that keeping all their money out of the hands of the IRS is the most important goal, while others may believe public education or purity of the individual's principled stance is more important.

The result is that some individuals choose not to ask organizations or institutions to support their war tax refusal and must figure out how to organize their financial lives to resist payment on their own. Others, in the interest of public education and possibly broadening the movement, may be willing to compromise their ideal war tax resistance plan, at least

for a time, in hopes that an organization will eventually take a stand. Even if an organization or institution is not willing to take action in support of conscience, there may still be value in raising the issue and stimulating thought and discussion within the group.

Individual war tax resisters who decide to raise the issue of conscientious objection to war taxes with an organization will probably need to do their own homework by studying this pamphlet, reviewing IRS publications, or contacting a war tax resistance counselor to understand the options and possible consequences. Organizations will likely be more receptive to suggestions if war tax resisters provide documentation, preferably from the IRS or legal sources. IRS publications and other resources are readily available; see the list at the end of this pamphlet for further information. For organizations that are intimidated by the IRS, documentation alone may not be sufficient to persuade them to take action. In such cases, good communication and organizing strategies will be necessary to overcome their fears.

One war tax resister who closed her bank account to avoid IRS levies explained to a bank customer service representative exactly why she was closing her account. Some time later, the war tax resister ran into the customer service representative on the street. The bank worker told the WTR that she had written a letter to her Congressional representative based on the WTR's comments!

DAVID GROSS worked as a technical writer for a software company. He earned more than \$100,000 a year and could live well in the San Francisco Bay Area. Then in March 2003 the U.S. invaded Iraq. David was horrified at the magnitude of the suffering the U.S. would inflict and at the bloodthirsty war fever that dominated the country. He also knew that as a taxpayer he was a small but vital part of the U.S. war machine. He had a hard time looking himself in the mirror, so he decided to cut off his funding for war by cutting his income to live below a taxable level. He asked his employer's human resources department for a significant pay cut. "How significant?" they asked. When he said "maybe 75 percent," they said they couldn't help him — such a radical pay cut might look suspicious to auditors and cause problems of some sort for the company. So David quit his job and shifted to working freelance in the same field. He spent a lot of time researching tax regulations and figured he could earn about \$30,000 a year, file a 1040 taking legal tax credits and deductions, and still not owe federal income taxes. "I started living a more bountiful life by working less, earning less, and spending less," he says.

JOHN AND PAT SCHWIEBERT of Portland, Oregon, challenged the General Board of Pension and Health Benefits of the United Methodist Church, which without so much as pondering the possible theological and ethical issues involved, proceeded to honor an IRS levy on John's pension benefit. He had been a United Methodist minister for more than 40 years when he retired. In 2007, the IRS sent a levy to take 52% of each check for 5 to 6 months because of John and Pat's military tax resistance. John and Pat had redirected the federal taxes to their local Multnomah County government instead of to the IRS.

In 2007, John and Pat traveled to Florida to ask the Board in person to halt further cooperation with the IRS until the Board and other United Methodist leaders had an opportunity to discern the proper response from a denominational body. The Schwieberts pointed out that the United Methodist Church, in its "Social Principles," rejects "war as an instrument of national foreign policy," and asserts "the duty of churches to support those who suffer because of their stands of conscience represented by nonviolent beliefs or acts."

Despite the support of several high-profile United Methodist Bishops and scores of friends who conducted prayer vigils on the day and hour when they were appearing before the Board, the policy did not change. Instead, the Schwieberts decided to exercise their right under pension rules to forfeit approximately half of the monthly pension benefit to reduce the levy amount each month to almost zero.

LEGALLY PERMISSIBLE ORGANIZATIONAL ACTIONS IN SUPPORT OF CONSCIENCE

There are many things that organizations or institutions can do, at little or no legal risk to themselves, to support conscientious objection to paying for war.

Education, Lobbying, and Statements of Concern

- Organizations can make statements of concern among their own constituents, as well as disseminate information to elected officials and to the general public about how much tax money is going to the military and about their objection to enforced participation in the tax collection process.
- They may reprint figures in their publications from groups such as the War Resisters League, National Priorities Project, or the Friends Committee on National Legislation about federal budget expenditures.
- Subject to the lobbying restrictions that apply to some tax-exempt organizations, groups can work to

establish conscientious objector status for taxpayers, such as the Religious Freedom Peace Tax Fund Bill, and other forms of legislative relief.

- Their materials can also include information about conscientious objection to paying for war and the stories of individual resisters.
- If conscientious war tax objectors offer them refused tax money to support their work, they can publicly accept it and use the opportunity for raising awareness about military spending and conscientious objection. They can point out how paying for the military system, militarized national policies, and military activities is destructive to the social, environmental, educational, and religious goals of their organization.
- They can endorse or lobby for changes in the IRS law to reduce or eliminate third parties' tax collecting responsibilities.

Most people consider there to be two distinct avenues of resistance to war taxes: direct action (through nonpayment of taxes or voluntary poverty), and legislative action. **THE NATIONAL CAMPAIGN FOR A PEACE TAX FUND** (peacetaxfund.org) takes legislative action, by pursuing a bill in Congress, the Religious Freedom Peace Tax Fund Act, that would allow conscientious objectors to pay their full federal taxes into a separate fund that could not be used for the military.

While the Peace Tax Fund movement is comprised of several thousand individuals, it also relies heavily on support from organizations. These organizations range from local churches, to national religious bodies, to peace and civil rights groups. An effective way for an organization to support the Peace Tax Fund is to take an official stand endorsing the campaign.

The national body of the nine-million member United Methodist Church (UMC) came to an endorsement through a process that began with a general policy of support for conscientious objectors to war taxes established in the 1970s. Building upon this policy, the Northwest Conference endorsed the Peace Tax Fund legislation at their annual meeting and then submitted a resolution to the national policy-making body. The national body of the United Methodist Church adopted the resolution endorsing the Peace Tax Fund in 1996. Each step provided an educational opportunity for war tax resisters and legislative supporters.

Organizations can also sponsor campaigns locally. The Rhode Island Campaign for Conscience pursued passage of a resolution to support the Peace Tax Fund bill at the Providence City Council. On October 20, 2005, the Council of the City of Providence voted unanimously in favor of the resolution, which cited the necessity of religious freedom and the high cost of war as reasons to endorse the bill.

THE MENNONITE CENTRAL COMMITTEE (MCC) sends a “letter of anguish” along with its quarterly employee withholdings statement to the IRS. The letter describes MCC’s distress at paying taxes for wars that only add to the suffering of the very people MCC serves in many places around the world. The letter is sent quarterly. The next to last paragraph is rewritten each time, to reflect a current concern of the staff regarding the military use of tax dollars.

Flexible Financial Arrangements

Another option for corporate entities is to research and implement existing legal options for their employees, subcontractors, or account holders that will lawfully circumvent income tax liability, withholding, reporting requirements, and/or levies.

Minimizing the Employee’s Tax Liability

Options for avoiding tax liability include paying workers partially or entirely in the form of nontaxable benefits such as: services provided to employees at no additional cost to the employer, qualified employee discounts, a company car for business use, qualified tuition reductions, medical care reimbursements under an employer’s plan, life insurance coverage up to \$50,000, meals provided on work premises by the employer, lodging provided by the employer under certain circumstances, qualified transportation fringe benefits, and some employee achievement awards, scholarships and fellowships paid to a degree candidate. In many cases, nontaxable income may also be free of withholding or reporting requirements. (See *IRS Publications #15, Circular E, Employer’s Tax Guide; #15-A, Employer’s Supplemental Tax Guide; IRS Publication 15-B, Employer’s Tax Guide to Fringe Benefits; #525, Taxable and Nontaxable Income; and #535, Business Expenses.*)

Organizations may also agree with workers to make corporate contributions to charitable or other causes in lieu of all or part of the worker’s salary or wages. If the employer donates directly to the charitable causes, the amount is not taxable income to the employee. The employee’s income is the gross pay shown on the payroll account. The employee works a certain number of hours for wage compensation, and then additional hours as a volunteer, trusting that the employer will contribute to charitable causes, even though not legally obligated to do so.

Avoiding Withholding

To avoid income tax withholding (although not Social Security or Medicare withholding, which are a set percentage of sala-

ries) organizations can, among other options:

- subcontract work to individuals who are self-employed in accordance with the IRS's definition of contractors vs. employees (see box on page 11),
- "lease" employees from a corporation, hire household employees or certain types of workers who are declared to be employees by law ("statutory employees") but not subject to income tax withholding,
- reimburse workers for business expenses that do not exceed government rates,
- make non-cash payments for services that are not in the course of the employer's trade or business. (See IRS *Publications* #15, *Circular E*, *Employer's Tax Guide*, #15-A, *Employer's Supplemental Tax Guide*, and #535, *Business Expenses*.)
- allow workers to share jobs or they can agree to pay employees less per hour or for fewer hours of work in order to keep their pay below the taxable limit (see IRS *Publication* #501, *Exemptions, Standard Deduction, and Filing Information*).

One war tax resister writes: "**RENT** is always my biggest expense and thus the biggest burden on my practice of war tax resistance. In the past, I have often arranged housing as part of my work. By doing this, I significantly reduced the amount of cash I needed to earn. For example, when I worked as a caretaker at a camp, the camp provided me with a residence on the premises so I could keep watch over the facility and be available on short notice for maintenance needs. Although the arrangement was a barter of services in exchange for housing, the value of this particular type of barter is excluded from income under the Internal Revenue Code (26 USC §119). In brief, the law states that the value of lodging furnished to an employee can be excluded from the employee's income if (1) the lodging is being furnished on the business premises, (2) the lodging is furnished for the employer's convenience, and (3) the employee is required to accept the lodging as a condition of employment so the employee can properly perform his or her duties. IRS Publication 15-B, *Employer's Tax Guide to Fringe Benefits*, provides more detail on this type of exclusion."

Avoiding Reporting

Financial institutions or lenders that wish to avoid IRS reporting requirements can agree to set up interest-free accounts for depositors or pay less than \$10 per year in interest. Organizations can contract services from incorporated individuals or businesses, or keep payments or awards to unincorporated individuals below \$600 in any given tax year, to avoid

JOB SHARING can be a way of keeping income below taxable levels as well as balancing other parts of life. A husband and wife shared the job of directing a statewide peace center. This allowed them to be involved in both meaningful employment and parenting; it also let them keep their income below taxable levels. By sharing the job and giving one another breaks, they were able to serve in the job for six years, and the experience encouraged them to figure out ways to continue living below the taxable level after leaving the job.

the requirement to file form 1099 in most cases. Employers can elect to report fringe benefits at the end of the year only, rather than quarterly.

The Affordable Care Act (ACA) is requiring a new level of reporting that will make it more difficult for nonfiling war tax resisters or those who want to stay off the IRS radar (and have health insurance). Reporting provisions for insurers and certain employers under the ACA take effect in 2015, which will include which individuals are enrolled in coverage with identifying information and the months for which they were covered. (See *IRS Publications #15, Circular E, Employer's Tax Guide; #15-A, Employer's Supplemental Tax Guide; #535, Business Expenses; Dept. of Treasury Fact Sheet on ACA Reporting*)

Avoiding Levies

Employers can legally avoid levies by allowing workers, either on an ongoing basis or in response to a notice of levy, to reduce their rate of pay or hours of work so their wages are below the level that is exempt from levy (see *IRS Publication #1494, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income*, adjusted annually). Employers may deduct certain amounts from the gross pay of workers, such as insurance payments, regular pre-existing payments to charity, and automatic payments to savings plans before calculating the amount to be levied, although a direct deposit of the whole net pay cannot be deducted. Those who use the services of independent contractors can pay their invoices immediately upon receipt to reduce the amount of time they actually owe money to the worker. (See below regarding levies on compensation paid to independent contractors.) Although levies do apply to payments made to workers in advance of their performing the work, any advance payments that are made before the notice of levy is received would avoid the seizure, or garnishment, of wages.

Payments in cash are subject to the same requirements and exceptions as other forms of payment, but can be helpful to individuals who do not use bank or credit union accounts.

STEVE SOUCY, a WTR from Orland, Maine, arranged with his employer to reduce his hours after a levy notice arrived at his workplace. “I had received a proposed assessment from the IRS for the first years that I’d earned enough to be taxed. From that notice it was clear they knew my current employer, and so it seemed just a matter of time before they would try to collect directly from my wages. After some soul searching, I decided to prepare myself to leave that position, or cut back my hours, and I began training for a career change to something which I believe will let me earn money in a way that would be more difficult for the IRS to track.

“Up until the notice of attachment I did not tell my employer why I claimed nine exemptions – change to “allowances” on my W-4, since if they knew, they would be obliged by law to report me. But once the levy arrived, I was able to be more open about my tax resistance. I wrote a letter to my boss and my program manager (my supervisor’s boss) explaining that for reasons of conscience, I would no longer be able to continue in my position full time. I stated my willingness to work up to a certain number of hours per week until they were able to find a replacement, or decide what to do. I eventually tapered my hours from the maximum allowed before withholding to just a few hours per week, while increasing my employment in my other jobs to cover the loss in income and benefits.

“The most rewarding part was talking to my co-workers, who I found quite sympathetic to my reasons for tax resistance. In a way it was like coming ‘out of the closet,’ and gave them the opportunity to be supportive.”

LEVIES ON COMPENSATION PAID TO INDEPENDENT CONTRACTORS

IRS levies on “wages and salaries” remain in effect until the total tax liability is paid. (Internal Revenue Code §6331) This is referred to as a continuing levy. All other levies are one-time levies and extend only to “property possessed and obligations which exist at the time of the levy.” (Treasury Regulation §301.6331-1(a)(1)) For example, a levy on a bank account only covers the money in the account at the time the levy is received by the bank. Once that amount is paid, even if it doesn’t cover the complete tax liability, the IRS must issue a new levy to take any future money that may be deposited in the account.

In the past, the term “wages or salaries” has been interpreted to mean only the compensation paid to employees, not the compensation paid to independent contractors. Therefore, levies on compensation paid to independent contractors have been one-time levies, not continuing levies. Also, since an employer has a continuing obligation to pay an employee for every hour of labor performed, but someone who uses the services of an independent contractor is only liable to pay the person at the completion of a job and upon receipt of an in-

IRS REQUIREMENTS FOR INDEPENDENT CONTRACTORS

To determine whether a worker is an employee or an independent contractor, the IRS examines evidence of the degree of control and independence fall into three categories: behavioral control, financial control, and the type of relationship of the parties. The IRS relies on a case-by-case, multi-factor approach, rather than mechanical rules, because one or more of the following factors may exist in a true contracting relationship, and vice versa. (A state labor department uses similar criteria; their audits are usually regarding coverage for unemployment but may also force a change in status.) Specific factors in each category include:

Behavioral control: Does the employer or contractor decide:

- When and where to do the work;
- What tools or equipment to use;
- What workers to hire or to assist with the work;
- Where to purchase supplies and services;
- What work must be performed by a specified individual;
- What order or sequence to follow.

Additionally, has the business retained the right to control the details of a worker's performance or given up that right? Is the person trained to perform services in a particular manner? Independent contractors ordinarily use their own methods.

Financial control: Independent contractors are more likely to have

- unreimbursed expenses;
- a significant investment in the facilities or tools he or she uses in performing services for someone else;
- services offered to the relevant market and freedom to seek out business opportunities through advertising, maintaining a visible business location, and availability to work in the relevant market;
- payment by a flat fee or on a time and materials basis for the job;
- a profit or loss.

Type of relationship: Factors that an auditor looks for include:

- Written contracts describing the relationship the parties intended to create.
- Whether or not the business provides the worker with employee-type benefits, such as insurance, a pension plan, vacation pay, or sick pay.
- Whether the person is hired for a specific project or period (independent contractor) rather than indefinitely.
- The extent to which services performed by the worker are a key aspect of the regular business of the company, which may indicate the business holds the right to direct and control the worker's activities.

(Excerpted from Publication 15-A, Employer's Supplemental Tax Guide, 2015)

voice, there is a much narrower window of time during which a payer actually owes money to an independent contractor. This has made it harder for the IRS to collect money from businesses that use the services of self-employed persons for resisted taxes. Thus, the IRS is constantly trying to tighten the definitions of salaried employees subject to withholding and narrow the options for independent contractors

In recent years, despite the fact that the laws and regulations have not changed in regards to either levies or the definition of salaries and wages, the IRS has relied on its own Internal Manual to pressure groups who owe compensation to independent contractors to treat levies as continuing rather than one-time. It is unclear whether the IRS regulations give them the authority to do this, but they have resorted to threats and intimidation which can be effective in getting such groups to back down. There is a reasonable chance that payers of independent contractors could win in court on this issue if they were willing to fight back. However, none have yet been willing to spend the necessary time and money to engage in a court case.

Tips about levies for war tax resisting independent contractors:

- Ask the payor to read levy notices very carefully, interpret them narrowly, and follow them strictly.
- Notices typically ask if the war tax resister is an employee, to which the payer of an independent contractor may validly answer no.
- The levy notice asks if any money is owed to the person at the time the notice is received. The payor should be able to answer no if they have no unpaid invoice from the contractor.
- Resisters with tax debts should find out the best time to submit an invoice so that it will be paid quickly and not be sitting around if a levy arrives.

FOLLOWING THE LETTER OF THE LAW

Organizations that feel intimidated may end up doing more than the law strictly demands in an effort to appease the IRS. At the very least, war tax resisters can ask the organizations they are involved with not to over cooperate.

No organization or institution need provide any assets or information to the IRS beyond what is required of them by law. They can scrutinize any communication from the IRS carefully, checking with the individual involved, NWTRCC, or legal consultants, to be sure the IRS has followed the proper

procedures, is basing its action on correct information, and has the proper authority to take that action. They need answer only those questions required on the IRS forms, without offering additional information. The IRS has no authority to insist on additional information unless it issues a summons. If the organization, or one of its officers or employees, has any question regarding an IRS communication, they may ask for clarification or even ask the IRS to withdraw its request or demand. Organizations may also notify the war tax resister if they have advance information about impending IRS action, to allow the individual time to deliberate a course of action.

For many years, the National Writers Union (NWU) was one of freelancer **ED HEDEMANN's** regular clients. The IRS sent the NWU three or four levy notices over the years to try to collect taxes Ed had refused to pay. The levy notices stated that if Ed was an employee the NWU should turn over his pay; if he was not an employee, the IRS asked the NWU to turn over any money they owed him. The NWU took the position that they only owed Ed money when he submitted an invoice. This has been the standard position for many years on IRS levy of fees for consultants and independent contractors. Since NWU never happened to have an invoice in hand when they received a levy notice, they said they didn't owe Ed anything and returned the levy form to the IRS. The IRS subsequently threatened to sue the NWU for Ed's back taxes and to investigate the independent contractor status of NWU's other workers. The IRS may have been bluffing, but the NWU was already involved in an unrelated legal battle and wasn't willing to take on another. The IRS implied that they would back off if the NWU got rid of Ed, and succeeded in intimidating the small union into no longer using Ed's services.

W-4 FORMS

Employers determine the amount to be withheld from their employees' wages on the basis of the number of "allowances" the employee claims on the withholding certificate, Form W-4. For tax purposes, W-4 allowances" are not identical with the number of "dependents" to be listed on the 1040 tax return. Individuals may claim extra W-4 allowances for anticipated deductions and credits. War tax resisters sometimes claim extra allowances in order to have money to refuse to pay at the end of the year.

When accepting withholding certificates ("W-4 forms") from employees, the organization is not required to question the number of allowances or a claim of exemption from withholding except in particular circumstances, such as the employee has altered or added on to any of the printed language on the W-4 or has verbally communicated that s/he is claiming allowances or exemptions not permitted by IRS rules.

After an employer has submitted tax information to the IRS at the end of each year on W-2 forms, the IRS has the possibility of matching that information with the amount withheld. If the IRS suspects that an employee has excess allowances, they may send a “lock in letter” to the employer that orders a change in allowances for future withholding. NWTRCC has no information about whether any employers have ignored or refused to honor a lock-in letter.

(See *Practical WTR #1, Controlling Federal Tax Withholding*, or *IRS Publication #15, Circular E, Employer’s Tax Guide*.)

CORPORATE CIVIL DISOBEDIENCE IN SUPPORT OF CONSCIENCE

Quiet vs. Public Resistance

Based on IRS figures about non-compliance with income tax laws, it appears that many organizations and institutions are engaged in violations of IRS requirements, for a variety of reasons – political, ignorance, or otherwise. There is no indication that the IRS is paying any more attention to groups who are non-cooperating due to war tax concerns than to groups who are not complying for other reasons.

There are advantages and disadvantages to being quiet about noncooperation. For example, employers who pay wages under the table or groups who don’t report payments to independent contractors, may, by not publicly announcing their actions, never get “caught” or may go years without attention

The American anti-war activist group **CODE PINK** launched a campaign called “Don’t Buy Bush’s War” in 2007. Their sign-on call stated, “When there are 100,000 of us who have the courage to pledge no more money for war, we will join in an act of mass civil disobedience and refuse to pay the portion of our taxes that represents the percent we spend on the U.S. military occupation of Iraq and Afghanistan.”

The campaign’s ambitions were a little too high, as it turns out, but they did get over 2,000 pledges, and started many conversations about war tax resistance among antiwar activists.

Additionally, a 2008 IRS audit of CodePink’s parent group – Environmentalism Through Inspiration & Non Violent Action — may have been politically motivated. While nothing came of the audit — and CodePink carries on as before — the hassle and stress worries many groups and makes them fear taking on war tax resistance.

Sources: 99 Tactics of Successful Tax Resistance Campaigns; “IRS Scandal Brings Out More Charges of Political Audits” (2013); NWTRCC information on Nonprofits and Tax Exempt Status

from the IRS. Still, they would be wise to think through their position and strategy in case they come under IRS scrutiny. If that happens, they will probably be more vulnerable than those who are open about their refusal, such as by adopting policies of not withholding or not honoring levies, because it is hard to develop community support and public sympathy for secret actions. They also could be subject to larger amounts of penalties and interest because of fraud charges or criminal prosecution for tax evasion; open resisters – those who announce their intentions to resist – may have some protection from charges of fraud.

Some groups hold open public witness as a corporate value and practice it for its own sake. As with individual resisters, the IRS must balance the advantages and disadvantages of going after a non-cooperating employer, contractor, or financial institution in terms of IRS resources, the amount of money involved, and the public relations effects. No organizations of which the WTR movement is aware have been charged with criminal penalties for corporate resistance, and few have ever been assessed civil penalties. Only in rare instances has the IRS attempted to go after a “responsible person” for penalties (see section on “responsible persons” below). Some organizations or institutions do suffer financial consequences, and accept it as part of the stand they take. Others arrange for individual war tax resisters to reimburse the organization for all or part of any penalties so as to reduce or eliminate the financial burden.

Organizations and institutions also think of the consequences of their actions among their constituents and the general public. The public relations effects of taking a stand on corporate conscience can obviously go either way; it can adversely affect a group’s effectiveness in the community or enhance it.

Resistance of corporate income taxes

Those organizations and institutions which have expressed concern about their participation in the process of collecting taxes for war have primarily been tax exempt religious and educational groups, or other non-profit groups. Therefore they have not been liable for corporate taxes. The war tax resistance movement is not aware of any group without tax exempt status that has refused to pay corporate taxes because of conscientious objection to war. This remains an unexplored avenue for organizational resistance.

Resistance of telephone excise taxes

Beginning during the Vietnam War a common method of low-level war tax resistance was to resist the federal excise tax

on long distance and local telephone service. Many organizations participated in this form of resistance as a way of expressing their conscience. In 2006 the IRS was forced to drop the tax on long distance service, but it is still applied to local land line telephone bills (not cell, VoIP, or other mixed use services). The telephone excise tax had an historic association with war spending and still provides revenue to federal funds that help to pay for war. Tax exempt nonprofits should remember to apply that status to their local telephone billing and have the tax removed, but thousands of individuals still refuse this tax as a protest to war.

As with individuals, telephone companies do not have the right to disconnect an organization's phone service for non-payment of the excise tax. Although required to collect the tax, phone companies are not required to enforce collection of the tax. If the phone subscriber does not pay, the phone company is simply required to report nonpayment to the IRS. The most typical consequence of telephone tax resistance is the periodic hassle of reminding the phone company that it is supposed to credit the bill for the amount of the tax rather than adding it onto the next month's bill as an unpaid balance. This often occurs because of communication problems between the phone company and the resister. For instance, telephone companies often require any statement of refusal to be sent to an address that is different from the billing address.

Sometimes telephone companies threaten to cut off service. In the last decade we know of two cases where groups have had their business service cut off. However, organizations do not appear to face any more or less difficulty with telephone tax resistance than individual resisters.

For more information see www.hanguponwar.org; for excise tax regulations see Code of Federal Regulations, sect. 49.4291-1, title 26; 2005.

Resistance to reporting

One form of non-compliance with reporting requirements engaged in by some employers is to pay workers "under the table," which essentially means not reporting payments or benefits to the IRS. If such payments were discovered and documented by the IRS, the employer would owe not only the income taxes which should have been withheld, as would the employee, but both the employer's and employee's share of Social Security taxes. In addition, the potential penalty for intentional disregard of filing requirements for "information returns," such as form W-4 or 1099, is a penalty of at least \$250 per payee statement with no maximum penalty. (Internal Revenue Code §6722).

Under the Affordable Care Act, insurers and certain employers face requirements in 2015 to report to the IRS lists of individuals enrolled in coverage with identifying information and the months for which they were covered. This may make it more difficult for independent contractors and those paid off the books or under the table to avoid IRS matching if they have health insurance but do not file.

(See IRS Publications #15, Circular E, Employer's Tax Guide; #15-A, Employer's Supplemental Tax Guide; #535, Business Expenses; and Dept. of Treasury Fact Sheet on ACA Reporting)

Resistance to withholding

Some organizations or businesses refuse to comply with withholding, filing, or turning over employment taxes. In such a case, the taxes not turned over can be assessed and collected by the IRS directly from the employing organization. A civil penalty of 10-15% of the amount not paid over may also be imposed. If the IRS is unable to collect the unpaid tax from the employer, it can use the "Trust Fund Recovery Penalty" which allows it to collect the tax owed from any "responsible person" who fails "willfully" to pay the tax. (See section on "responsible persons" on page 20.) In addition to exposing an employer to civil penalties, willful failure to collect or turn over withholding is also a felony, subject to a 5-year maximum sentence and a possible fine of \$250,000 for an individual or \$500,000 for an organization (see Internal Revenue Code §6656). Actual sentences are typically far less. Based on the administrative policies of the past 25 years, it is unlikely, but certainly not impossible, that any legitimate organization or its officers would face criminal prosecution.

Employers or other entities that refuse to withhold from the assets of a war tax resister on religious grounds actually have a chance of justifying their actions in court thanks to a 1973 case involving the American Friends Service Committee (AFSC) and the IRS. A federal district court ruled that the AFSC and its employees had the First Amendment right not to be required to participate in the withholding system,

LAKESIDE PRESS, then a collective of which Jerry Chernow was a member, was contacted in 1990 by an IRS agent. The agent claimed that Chernow was the owner/boss of Lakeside and had illegally failed to withhold taxes on "his" employees. Knowing that a protracted legal battle might be in store, Jerry convinced his co-workers to incorporate as a worker cooperative. This way, IRS cannot shut down the shop because of one member's resistance. The shop files an annual IRS Form 1120, but since they don't tend to make any profit, taxes have never been due.

since the IRS has other methods of satisfying its objectives, such as levies. The decision was overturned by the Supreme Court, but solely on procedural grounds. This position is possibly strengthened by the Religious Freedom Restoration Act (RFRA), passed by Congress in 1993. (See section on RFRA on page 23.)

One way some employers refuse to comply with withholding is to treat workers as independent contractors even if they don't fit the IRS definition (see "independent contractor" box page 11). If the IRS follows up and decides the organization had no reasonable basis for their classification, they can reclassify the workers as employees and apply the failure to withhold penalties described above.

Employers who wish to resist withholding sometimes accept W-4 forms that claim extra allowances or exemption from withholding, even if they know the individual is avoiding withholding because of conscientious objection to war. (See W-4 section starting on page 13 for information on the legal requirements of employers in regards to accepting W-4 forms.) If the IRS decides that a W-4 form is invalid, it can order the employer to withhold from an individual's pay at the highest possible rate. Employers who do this may be subject to the penalty for failure to withhold, file, and turn over employment taxes. Additionally, an organization can be held criminally liable for conspiracy and for aiding and abetting submission of false or fraudulent W-4's. Tax protest groups who argue that IRS collections are unconstitutional have received such criminal penalties, but, to our knowledge, not groups involved in tax resistance because of objection to militarism and war.

Some employers establish in-kind or benefit arrangements that make it easier for individuals to keep money away from the IRS, even if the arrangements are questionable under the law, and then wait to see if the IRS notices or follows up. If the IRS catches on and disallows the arrangements, the penalties for failure to withhold, file and pay may apply.

Some organizations take the required amount of taxes from the pay of workers, but refuse to turn some or all of the money withheld over to the IRS. They then redirect the withheld money to life-affirming causes, or place it in a separate account in preparation for a possible IRS seizure of the refused amount or for the day that the government accommodates the conscience of taxpayers by allowing them to pay for life-affirming activities rather than the military. In these situations, as above, the IRS could find that the organization is responsible for failure to withhold, file, and pay over employment

taxes and hold it and/or a “responsible person” liable. More often, however, the under-remitted employment taxes are later seized from the employer’s account, with only a lateness penalty added.

Some payers of reportable interest or dividends who receive a notice from the IRS to begin backup withholding refuse to withhold, or withhold and refuse to turn over the tax, with the same possible penalties as above.

After a six-year investigation, a five-day trial, and four hours of jury deliberation, three members of **RESTORED ISRAEL OF YAHWEH**, a small religious community, were found guilty in federal district court on December 15, 2004, of charges related to the nonpayment of federal income tax. The trial took place in Camden, New Jersey, near where the group was based. This case may have been inspired by a disgruntled former member who contacted the IRS about the business. Inge Donato served a six month prison sentence, and Kevin McKee and Joseph Donato each served two-year sentences.

The three were arrested on April 12, 2004, and were charged with “conspiring to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the IRS in ascertaining, computing, assessing, and collecting taxes; Tax Evasion; and Failure to File Tax Returns.”

Joseph Donato and Kevin McKee ran a construction business, and Inge Donato was the bookkeeper. While they cooperated with state and local tax laws and filed appropriately for employees who were not members of the society, for members who refused to pay war taxes the company honored their consciences and did not withhold taxes.

The Restored Israel of Yahweh had a long history of war tax resistance. “We cannot in good conscience pay a tax that we know goes to kill and fight against other people whose lives were also given to them by Yahweh,” says a statement by the group. The group’s founder and spiritual leader, Leo J. Volpe, a World War II conscientious objector, stopped paying federal income taxes in 1948 and had a long series of run-ins with the IRS over the following decades

In October 2007, the U.S. Court of Appeals for the Third Circuit overturned 12 convictions against Kevin McKee and Joseph Donato and vacated two charges against Inge Donato, ruling that she be acquitted. A single conspiracy count against the three defendants was upheld. The court did not consider the defendant’s religious objections to paying for war. The convictions were invalidated on technical grounds, but the three had already served their sentences. They are among the relatively few war tax resisters since World War II who were convicted and jailed related to their resistance. (See www.nwtrcc.org/convicted_wtr.php)

Resistance to levies

Some employers, payers of independent contractors, and financial institutions refuse to turn over money in response to a levy on the pay or assets of a conscientious objector. The IRS Code does not allow for criminal enforcement of levies. In civil proceedings the IRS can, and does sometimes, sue to collect the amount levied, plus “costs and interest” and occasionally a further penalty equal to 50% of the money required to be turned over (see Internal Revenue Code §6332). The Internal Revenue Code does not clarify what such “costs and interest” might be, and such suits are too rare for WTRs to have accumulated much experience with them. The amount could be collected from either the organization or a “responsible person.” (See section on “responsible persons” below.) Some organizations which resist levies take the amount demanded in the levy out of a worker’s pay and set it aside in a separate account, to have in case the IRS sued to collect from them; others refuse to take any money from the worker at all.

Resistance to IRS Summonses or Inquiries

In the process of trying to collect unpaid taxes, the IRS has no authority to insist that organizations or institutions give them information about a person’s financial situation unless it uses its “summons” power. If it does issue a summons, an institution can comply with it and get the IRS to pay for the cost of gathering and delivering the information, as allowed by IRS regulations (IRC §7610). If the institution refuses to honor a summons, the IRS would have to go to the Justice Department for permission to bring a summons enforcement action, which is a civil case, in federal district court. If a party is ordered by the court to respond to a summons and still refuses, they may be subject to civil contempt charges, such as fines or jail, until they comply (see Internal Revenue Code §7602).

One common defense to a summons enforcement action against an individual resister is to claim the Fifth Amendment privilege against self-incrimination. While this has been successful for some individual war tax resisters, the Supreme Court has ruled that “impersonal entities” such as corporations and partnerships do not have a constitutional right against self-incrimination.

RESPONSIBLE PERSONS

As mentioned in the section on Resisting Withholding above, if the IRS is unable to collect the unpaid tax from organizational accounts it can impose, on any “responsible person” who “willfully” failed to pay over the tax, a “Trust Fund Recov-

BILL RAMSEY resisted taxes as an employee of the American Friends Service Committee (AFSC) in St. Louis from 1976 to 1997. For most of that time he was a very public war tax resister and claimed additional allowances on his W-4 form to avoid withholding. AFSC's policy at the time directed them to withhold all the required taxes from a war tax resisting employee, but to place the percentage of the taxes that go to current military expenses in a separate AFSC account and pay the rest to the IRS.

In 1995 the IRS ordered AFSC to start withholding from Ramsey's paycheck at the highest possible rate, although they did not attach any penalties for having accepted a "fraudulent" W-4 form in the past. Not wanting any of his taxes to be paid to the IRS and in response to the IRS order, Ramsey urged the AFSC board to explore a challenge in court. After months of deliberation, AFSC decided their course of action would be to inform the IRS of the funds' location and allow them to be seized. Ramsey had reduced his hours in January 1996 to avoid withholding and then resigned in October 1997.

PHILADELPHIA YEARLY MEETING (PYM) of the Religious Society of Friends (Quakers) developed a policy in 1988 regarding ways in which it would support the witness of individual employees who were pacifists. PYM had had employees with conscientious objections to paying for the military since before 1970. In 1988 PYM was sued by the U.S. Justice Department for sums owed by two employees, because PYM had refused to honor a levy on the wages of those employees. The IRS also tried to impose a penalty on PYM of 50% of the taxes due for having refused "without reasonable cause" to comply with a levy. Attorney Peter Goldberger found errors in the government's claims and PYM, after prayerful discernment, decided to defend its position in federal court in April 1989.

PYM argued that as a religious employer of people whose jobs included educating others about the historic peace testimony of Quakers, PYM was not acting "without reasonable cause" in refusing to enforce collection that was in violation of a religious witness. Between the court appearance and the Judge's decision, however, the U.S. Supreme Court decided a case called *Smith v. Oregon Department of Unemployment*. This decision, which was written by Judge Antonin Scalia, said that "free exercise of religion could not be protected against the incidental infringements of generally applicable laws." Had it not been for the *Smith* decision, the PYM case might have set an important precedent for organizational war tax resistance. Even so, the court refused to uphold the 50% penalty.

PYM maintains a policy for responding to war tax refusing employees, including setting aside in a bank account withheld taxes that the employee does not want to turn over to the government. While the IRS had collected from the account periodically, apparently they tired of the practice and in 2003 the U.S. Justice Department Tax Division filed a civil lawsuit against PYM to enforce a levy on Priscilla Adams' salary. PYM argued that it could not be the tax collector for conscientious war tax resisters. On June 21, 2004, Judge Stewart Dalzell ruled in favor of the IRS regarding the collection of the back taxes but ruled against it regarding the 50% penalty.

ery Penalty” equal to the taxes not paid. This was formerly known as the “100% penalty.” In such a case, the tax liability is actually shifted to the “responsible person” and may be collected from their personal assets. If so collected, the IRS deems the tax to have been paid and will no longer attempt to collect it from the war tax resisting individual. The IRS may also attempt to convince the Justice Department to seek criminal penalties on “responsible persons” for willful failure to collect and turn over withholding.

A “responsible person” is an organizational officer or employee who has the duty to perform and the power to direct the collecting, accounting, and paying of withheld income and employment taxes. Typically, all executive officers are designated, although in any particular case the Revenue Officer assigned to investigate may decide who is “responsible.” The IRS states the responsible person must have been, or should have been, aware of the outstanding taxes, and either intentionally disregarded the law or was plainly indifferent to its requirements.

It is possible that the IRS would find it difficult to determine “responsible persons” in organizations that place all responsibility for making decisions with respect to withholding tax or complying with levies in a collective group rather than in an individual. Thus far, to our knowledge, the few successful IRS collection actions against conscientious organizations have been on corporate accounts, not the personal accounts of “responsible persons.”

TAX EXEMPT STATUS

To date, the war tax resistance movement is unaware of any nonprofit organization that has lost 501(c)(3) tax exempt status due to its position or action relating to conscientious resistance to war taxes. There is also no indication that the IRS has ever even considered a campaign to challenge tax exempt status on such a basis. However, it is possible the IRS could argue that support for war tax resistance violates the definition of “charitable” in the legal sense.

It is not clear how the IRS or a court would rule on the question of “charitable” status if faced with an organization that supported war tax resistance but did not directly and immediately advocate it. It is clear that a group whose primary purpose was to advocate civil disobedience of any sort would have trouble qualifying for tax exempt status. However, there is some precedent that tax exempt status would not be revoked if illegal activities were merely incidental to the purposes of the organization (*U.S. vs. Omaha Live Stock Traders*

Exchange, 366 F.2d 749, 751 (8th Cir. 1966).

See also, NWRCC's information on *Nonprofits and Tax Exempt Status*, www.nwtrcc.org/tax_exempt.php.

THE IRS AND POLITICAL REPRESSION

In addition to concerns about tax exempt status, some organizations whose work is seen as opposing the government fear that taking a position on military taxation could open them up to attack by the government in the form of IRS harassment about other financial business. The IRS has, in fact, been used as a tool in the past to target some opposition groups. There is no guarantee that this wouldn't happen again. Large, well-established religious or financial institutions are less likely to suffer such repression. Smaller, more radical groups might be at greater risk.

Corporations can also, of course, refuse to pay taxes or other requisitions that they themselves owe. For example, in 2005 the activist group **VOICES IN THE WILDERNESS** was fined \$20,000 for bringing food and medicine into Iraq when that country was under a blockade. They refused to pay, saying:

Voices will not pay a penny of this fine.... We chose to travel to Iraq in order to openly challenge our country's war against the Iraqi people. We fully understood that our acts could result in criminal or civil charges. We acted because when our country's government is committing a grievous, criminal act, it is incumbent upon each of us to challenge in every nonviolent manner possible the acts of the government....

We choose to continue our noncooperation with the government's war on the Iraqi people through the simple act of refusing to pay this fine. To pay the fine would be to collaborate with the U.S. government's ongoing war against Iraq. We will not collaborate.

In 2005, Voices in the Wilderness disbanded. The group Voices for Creative Nonviolence was formed to continue challenging U.S. military and economic warfare against Iraq and other countries.

(99 Tactics of Successful Tax Resistance Campaigns; Wikipedia)

RELIGIOUS FREEDOM RESTORATION ACT

A Supreme Court ruling in 1990, *Employment Division v. Smith*, followed by the Religious Freedom Restoration Act (RFRA) passed by Congress in 1993, have significant ramifications for organizational conscience in regards to war taxes.

Prior to the *Smith* decision, the “compelling interest” test was used as a guide in court cases where an individual’s conscience conflicted with governmental requirements. This meant that in order to justify a burden on the free exercise of religion and conscience, government had to show a “compelling” state interest, such as public health or safety, and had to use the “least restrictive means” to achieve their goals. In the *Smith* decision the Supreme Court ruled that, as long as a law in question was not specifically aimed at limiting the free exercise of religion, was generally applicable, and was neutral among different religions, the government did not have to accommodate the practices of religious people.

In response, a coalition of religious and secular organizations legislatively re-established the compelling interest test by introducing and passing, with an overwhelming majority in Congress, the Religious Freedom Restoration Act of 1993. In 1997 the Supreme Court heard a test case on RFRA, *City of Boerne vs. Flores*, and ruled that RFRA was unconstitutional in disputes between individuals and states. However, the Justice Department has taken the position RFRA is still applicable in cases involving the federal government and individuals. In 1998, the Tax Court rejected war tax resister Priscilla Adams’ claims under RFRA that the government had not used the “least restrictive means” to collect her taxes, therefore she should not have to pay them, nor should she be penalized for refusing to do so. In 1999 the Federal Court of Appeals for the Third Circuit ruled against her in *Priscilla Adams vs. the IRS*.

The August 2014 ruling by the Supreme Court regarding corporate objections to the birth control provisions of the Affordable Care Act (ACA), *Burwell vs. Hobby Lobby Stores, Inc.*, was argued under RFRA. The decision may offer some openings for war tax resistance arguments, but at this writing it is too early to tell.

CONCLUSIONS

Since World War II, the government’s demand for revenue has led Congress to give broad power to the IRS to collect taxes. Payroll withholding and the power to levy enlists employers and financial institutions in the collection process. Individual war tax resisters can face difficult choices as they try to make a living while successfully keeping their taxes from the war machine. An additional challenge is finding a way to make a public statement about one’s resistance in response to a bank account or salary levy issued by a computer.

In response to the institutional role in tax collection, some conscientious and courageous leaders in a number of orga-

nizations have challenged the accepted and unspoken idea that paying for war and its preparations, as organizations and employers, is an acceptable way of doing business. Through simple protest letters or going all the way to court they have demonstrated ways that organizations can take a stand on the issue. This publication is intended to offer examples to war tax resisters that will help them confront institutional compliance (and, especially, over-compliance) with IRS regulations and encourage more employers and organizations to respect individual conscience as regards paying for war.

When war tax resisters **TITUS PEACHEY** and **LINDA GEHMAN PEACHEY** received a Notice of Levy from the IRS in November 1996, they tried to engage their financial institution, the Pennsylvania Mennonite Federal Credit Union (the name has since changed to Everence Federal Credit Union), in a conversation about the potential for a creative response to the levy. The Credit Union Board of Directors agreed to consider the issue at a Board Meeting, even though the meeting was scheduled for three days after the IRS deadline for compliance. In agreeing to consider the matter, the Board summarized their position in this way: "Our position in the past has been to comply with the legal requirements of the levy by forwarding the required funds along with a letter to the IRS stating that we affirm our member's position and we ask the IRS to not levy the account in the future. As you are well aware, this issue creates a tension for our directors because they want to be supportive of our members on faith issues and also carry out their fiduciary responsibilities as directors of the financial institution." At that time, the Credit Union decided to comply with the IRS levy. The primary considerations leading to this decision included the desire to operate legally, concerns about the personal liability of the Board of Directors, and a belief that any conflict with the IRS over this issue would be both time consuming and futile.

Once the levy was paid, Titus and Linda arranged a face-to-face conversation with Credit Union staff to explore the tensions between faith issues and fiduciary responsibilities. As a result, at a February, 1998 board meeting, the Credit Union approved a policy of initially requesting the IRS to lift levies related to war taxes prior to deciding whether to comply.

Titus commented,

"We recognize that the systems in our country which protect and multiply financial assets are often at odds with concerns for peace and justice in our world. Just as we must decide on a personal level how much risk we will take with our "financial nest," so institutions must decide how much risk they will take in order to hold to their core values and beliefs. In a society where money is quickly becoming the primary value and ethic, it is especially important for church institutions to examine what informs their decisions and why."

EXAMPLES OF ORGANIZATIONAL SUPPORT AND RESISTANCE

Selected organizations with statements on conscientious objection to war or endorsements of the Religious Freedom Peace Tax Fund Bill:

- Mennonite Church USA – Harrisonburg, VA
- Presbyterian Church USA – Washington, DC
- Fellowship of Reconciliation – Nyack, NY
- Women’s International League for Peace & Freedom – Boston, MA
- Peace Tax Fund Bill endorsers: see peacetaxfund.org

Selected organizations that have used legally sanctioned means to support war tax resisters:

- Iowa Peace Network – Des Moines, IA
- Friends for a Nonviolent World – Minneapolis, MN
- Everence Federal Credit Union – Lancaster, PA
- Voices for Creative Nonviolence – Chicago, IL
- Friends United Meeting – Richmond, IN

Selected organizations that have refused to pay the telephone excise tax

- War Resisters League – New York, NY
- National War Tax Resistance Coordinating Committee – Brooklyn, NY
- Lakeside Printing Cooperative – Madison, WI
- Christian Peacemaker Teams – Chicago, IL
- Voices for Creative Nonviolence – Chicago, IL

Selected organizations that have gone to court against the IRS:

- Friends Journal – Philadelphia, PA
- Philadelphia Yearly Meeting of the Religious Society of Friends – Philadelphia, PA
- American Friends Service Committee – Philadelphia, PA
- War Resisters League – New York, NY

Selected organizations which have resisted levies or established policies to resist levies:

- War Resisters League – New York, NY
- Philadelphia Yearly Meeting of the Religious Society of Friends – Philadelphia, PA
- National Campaign for a Peace Tax Fund – Washington, DC
- Friends Committee on National Legislation – Washington, DC

RESOURCES

Available from IRS:

- Publication #15, **Employer's Tax Guide**; #15-A, **Employer's Supplemental Tax Guide**, #15-B, **Employer's Tax Guide to Fringe Benefits**
- #17 – **Your Federal Income Tax**
- #501 – **Exemptions, Standard Deduction, and Filing Information**
- #525 – **Taxable and Nontaxable Income**
- #526 – **Charitable Contributions**
- #535 – **Business Expenses**
- #557 – **Tax Exempt Status for Your Organization**
- #1494 – **Table for Figuring Amount Exempt from Levy on Wages, Salary, and Other Income**
- #910 – **Guide to Free Tax Services**

All available for free at www.irs.gov or order by calling 1-800-829-3676

Available from War Resisters League

339 Lafayette Street, New York, NY 10012, 212/228-0450; wrl@warresisters.org; www.warresisters.org

- **Some Writings on War Tax Resistance**, philosophical and poetic musings. A.J. Muste Pamphlet Series. (\$1 and self-addressed business envelope)
- **War Tax Resistance: A Guide to Withholding Your Support from the Military**, comprehensive book on the subject; includes information on the philosophy, history, and practice of war tax resistance. 5th Edition, March 2003 with annual update, 144 pages. (\$10)

Available from the National Campaign for a Peace Tax Fund

2121 Decatur Place, NW, Washington, DC 20008-1923, 202/483-3751; 888/732-2382; info@peacetaxfund.org; www.peacetaxfund.org

- **A Persistent Voice: Marian Franz and Conscientious Objection to Military Taxation**. Edited by David R. Bassett, Steve Ratzlaff, and Tim Godshall, 2009. 212 pages. (\$20)
- **Conscience and the Courts** — Summary of elected cases (\$1)
- **Compelled by Conscience** — 15-minute DVD. (\$12)
- **Communities of Conscience** — statements by individuals, peace and civil liberties groups, and religious denominations. (\$2.50)

Available from Pendle Hill

338 Plush Mill Road, Wallingford, PA 19086-6023, 610/566-4507; info@pendlehill.org; www.pendlehill.org

- **War Taxes: Experiences of Philadelphia Yearly Meeting Quakers through the American Revolution**, by Elaine Crauderueff, Pendle Hill Pamphlet #286 (1989) Price: \$7.00

RESOURCES (CON'T)

Available from NWTRCC

Practical War Tax Resistance Pamphlet Series

#1: Controlling Federal Tax Withholding

#2: To File or Not To File an Income Tax Return

#3: How to Resist Collection, or Make the Most of Collection When it Occurs

#4: Self Employment: An Effective Path for War Tax Resistance

#5: Low Income/Simple Living as War Tax Resistance

#7: Health Care, Aging, Social Security, and War Tax Resistance.

(Single copies #1-3 75¢ each, #4-7 \$1 each; call for bulk rates.)

War Tax Resisters and the IRS – a brief outline of WTR motivations, methods and consequences. (\$2.50 each)

Handbook on Military Taxes & Conscience, Friends Committee on War Tax Concerns, 1988. With statements by religious groups. (\$3)

Brochures: “Why and How to Refuse to Pay for War”; “Why Isn’t Everyone Who’s For Peace A War Tax Resister?”; “Refusing the Federal Telephone Tax”; “Are You Praying for Peace But Still Paying for War?” 20 cents each

Nonprofits and Tax Exempt Status, nwtrcc.org/tax_exempt.php

NWTRCC can also provide more information about organizational war tax resistance and referral to lawyers knowledgeable about war tax resistance when there is a special need.

This brochure was produced by the National War Tax Resistance Coordinating Committee (NWTRCC), a coalition of local, regional, and national groups supportive of war tax resistance. Additional copies are \$1.00 each or it can be read or downloaded free on our website.

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