Treasury Hangs Up A Telephone Tax

By Ruth Benn

Editor's note: There are two articles plus a timeline on the telephone excise tax in this issue. Readers are invited to send their own stories on phone tax resistance and/or comments on the repercussions of the end of the tax to NWTRCC for our next issue. The deadline is September 5.

The Treasury Department announced May 25, 2006, that as of July 31, 2006, the federal excise tax would no longer apply to long distance bills, including on cell phones, mixed local and long distance services, and internet phone service. However, the tax will remain on local phone service until Congress passes legislation to abolish it.

Taxpayers who have paid the federal excise tax on long distance service will be able to claim a refund for the last three years on their 2006 tax forms (filed by April 16, 2007). The IRS is working on a simplified refund system, which will include interest. The three-year limit is based on the tax-related statute of limitations.

Beginning in 2004, the IRS had lost several cases brought to federal courts by large companies including American Bankers Insurance Group, OfficeMax, Amtrak, Fortis, and Lexis, who argued that the tax did not apply to their flat rate service. The courts awarded one-year commitment might create a new and larger pool of resisters.

We are asking local groups to circulate the surveys between now and November 1 at meetings and events, and be sure to link to the online versions on your websites. In September respondents will be able to access a fill-in form online. You'll be surprised at how interest in the questionnaire leads to fresh conversations about war tax resistance. And, don't forget to fill one out yourself!

Bill Ramsey is coordinating the Survey/One-Year Campaign committee. He operates The Human Rights Action Service and works with the St. Louis Covenant Community of War Tax Resisters.

WTR SURVEY

Fill It Out! Pass It Around!

By Bill Ramsey

Could war tax refusal offer the present peace movement a tool of nonviolent resistance to the perpetual war strategy? Is it possible for a broader spectrum of war opponents to engage in some form of war tax resistance? Would large numbers participate in a one-year commitment to war tax refusal? Could successive one-year boycotts be fashioned into waves of resistances?

These are some of the questions we hoped to answer when last fall's Strategy Conference decided to conduct a survey of WTRs and war opponents. We have designed three questionnaires to reach those presently engaged in WTR; those who did WTR at one time, but no longer do; and those who have never done WTR. The questionnaire for those presently engaged is enclosed, and all three are available on the NWTRCC website or from the NWTRCC office.

We want to hear from the broadest spectrum of activists possible. Based on the results of the questionnaire NWTRCC will revise old resources and create new ones to address the obstacles that the survey uncovers. We could launch an initial wave of new war tax resistance focused on Tax Day 2007, once we see if proposing the one-year commitment might create a new and larger pool of resisters.

We are asking local groups to circulate the surveys between now and November 1 at meetings and events, and be sure to link to the online versions on your websites. In September respondents will be able to access a fill-in form online. You'll be surprised at how interest in the questionnaire leads to fresh conversations about war tax resistance. And, don't forget to fill one out yourself!

Bill Ramsey is coordinating the Survey/One-Year Campaign committee. He operates The Human Rights Action Service and works with the St. Louis Covenant Community of War Tax Resisters.
TELEPHONE TAX RESISTANCE

Many people are contacting the NWTRCC office to ask whether they should continue resisting the tax on local service. As with all WTR, this is a personal choice. Certainly many will continue to resist as long as the tax is applied and pays into the general fund. It remains a very resist-able tax. NWTRCC will maintain the Hang Up On War website with updated information at least until further discussion at our next Coordinating Committee meeting in November. In the meantime, we will endeavor to produce a flyer that will replace our telephone tax brochure to explain the new situation.

SUPREME COURT ON PROPERTY SEIZURES

In our counseling sessions recently we have talked about the fact that the IRS only has to mail its warning notices to meet the guidelines of informing a taxpayer before taking further action toward collection. Interestingly, on April 26, 2006, the Supreme Court led by Chief Justice John Roberts ruled that the state of Arkansas "violated a homeowner’s right to due process when it sold his house for nonpayment of taxes after sending two certified letters that came back ‘unclaimed.’" (NY Times, April 27, 2006) The 5-to-3 majority said that the state must take “additional reasonable steps” before taking the extraordinary measure of seizing a home, particularly because in this case the tax office knew that the letters had been returned unclaimed. The decision in this case, Jones v. Flowers (No. 04-1477), overturned a ruling by the Supreme Court of Arkansas. The federal government had entered the case on the side of the state of Arkansas, so the Roberts’ court showed some independence in its majority opinion. This case doesn’t necessarily mean a change in our general counseling or presentations, but it might apply in some specific situations.

Many Thanks

We are grateful for the contributions, redirections, and affiliate fees from these groups:

- Christian Peacemaker Teams, IL
- Christians for Peace, VA
- Fools of Conscience, NC
- Conscience, Militarism, and War Tax Concerns, Philadelphia Yearly Meeting
- National Campaign for a Peace Tax Fund, DC
- NYC People’s Life Fund
- Pioneer Valley War Tax Resistance, MA
- S. Arizona WTR
- War Resisters League, National Office, NY
- Western Washington FOR

…AND A WORD ON GIVING

Tax deductible contributions: Many of you give through our fiscal sponsors, ROSC in Maine and Resist in Massachusetts. If you are writing a check it is best if you send it (made out to either group) to the NWTRCC office. We then bundle them together and send them on to the appropriate office. This helps with our record-keeping and assures that the small staffs at Resist and ROSC attribute the contributions properly.

Online giving: It is possible to give directly to NWTRCC on our website (not tax deductible). There is a PayPal link on our Contact/Donations page. In addition, tax deductible contributions can be made through Resist on the same web page. The “Give to NWTRCC through Resist” purple button takes you directly to their online giving system, CommunityRoom.net. In the space for comments, specify that the contribution is for NWTRCC. By using this system there are no extra fees taken out of your payment (beyond Resist’s standard 5% processing fee). However, if you were to use a program such as Network for Good to give to Resist for NWTRCC, Network for Good takes an additional fee from your contribution – and it confuses the folks at Resist, because it is as convoluted as this sentence! ▼
Changes at NCPTF

Welcome to Alan Gamble, the new executive director of the National Campaign for a Peace Tax Fund, based in Washington, DC. Alan leaves his position as a faculty member at Jackson Community College in Michigan, where he was a Congressional District Contact for the PTF and was a contact on the NWTRCC network list. We look forward to working with him in this new capacity.

Marian Franz retired from the executive director position earlier this year after 23 years of tireless work toward the passage of the legislation, now called the Religious Freedom Peace Tax Fund Bill. Marian will stay involved with the campaign as a lobbyist. In addition, we send our good wishes to Tim Godshall, who has moved on from the NCPTF staff after three years, including serving as interim director over the past few months.

...Telephone Tax

Continued from page 1

refunds to these companies ranging from $360,000 to $434,000, and the writing was on the wall for the IRS. Either the legislation had to be rewritten or the tax needed to be dropped. In 2000 Congress had voted to repeal the tax, but President Clinton had other problems with the Treasury bill to which it was attached and vetoed the whole package. Under these conditions, Treasury could not assume that Congress would rewrite the legislation and retain the tax.

THE TAX ON LOCAL CALLS

On June 28, 2006, the Senate Finance Committee approved unanimously legislation that would repeal the federal excise tax on all telephone service. The Telephone Excise Tax Repeal Act of 2005, S.1321, has moved out of committee to the full Senate for a vote.

However, attached to the repeal bill is S. 832, The Taxpayer Protection and Assistance Act of 2005, which includes many other modifications to the tax code. Of particular interest to WTRs, S. 832 includes a request to increase the frivolous fine from $500 to $5,000. There are also increases in penalties related to statements involving fraud, and proposals to increase funding for promoting electronic filing. If the package passes we’ll report on this further in future issues of this newsletter.

Senator Rick Santorum is a sponsor of S.1321, and his website expresses his hope that the repeal will pass before the August recess. Therefore, at the time of this writing we are not sure when/if the local tax will end; the repeal takes effect 90 days after the bill’s approval.

AS TO THOSE REFUNDS

The refund will only apply to taxes paid on long distance service; the local tax was not part of the court cases that ordered refunds. Businesses and corporations will see the biggest return, of course, but readers who file and have been paying the federal excise tax on long distance service (yes, we know you are out there!) might just as well apply for that refund. And if you find yourself in a financial place where you can turn around and give that refund to an organization you love, please consider NWTRCC or your local WTR group as a potential recipient.

Taking credit for the end of this antiquated tax is stretching it, but our resistance may well have played a part in the desire of telecommunications companies to lobby for an end to the tax. Although its removal has no effect on cutting the military budget or ending war, we know that over the past 40 years of telephone tax resistance, a lot of workers at telephone companies have learned about people who refuse to pay for war, some wonderful letters have been sent to the IRS about the phone tax, and some great public protests were held when the IRS seized bikes, cars, and houses for unpaid phone tax.

(See telephone tax timeline, page 7.)

A Mixed Blessing

By Larry Dansinger

The news of the end of the federal excise tax on phone bills (long distance now, probably local bills later this year) seems to be a time of elation for war tax resisters. But to me it is a mixed blessing. Here are a few downsides to this otherwise happy turn of events.

Doing phone tax resistance was an easy way for WTRs to get their feet wet with little risk. It gave them a chance to “test the waters” and see how a little civil disobedience felt before taking a larger step of withholding part or all of their income tax or changing their lives in other ways to live below taxable level or be less collectable.

Not every swimmer is ready to jump head-long into stormy seas or a cold lake. Some wade in slowly, as phone tax resisters have done. Even our courageous NWTRCC coordinator, Ruth Benn, noted that her first brush with WTR was through the phone tax. The WTR movement will need to have a less risky form of WTR for example, withholding $10.40 from a return or using the Peace Tax Return) for those who don’t want to go all the way the first time.

Who benefits most and least from the elimination of this tax? (We should ask this question for every government policy!) First and foremost, the large telecom companies, who probably did a lot of lobbying to get the tax ended, are winners. Next are the big corporations who ran up big bills and could not write off all of them on corporate tax returns. Farther down the list are small businesses, the wealthy, and the middle class, who are likely greater phone users. Finally, a little money may trickle down to lower income people who make fewer long distance calls, and there will be no benefit to WTRs and those who don’t make enough to file returns.

The New York Times article (May 26, 2006) suggested that the tax elimination will cost the U.S. treasury about $13 billion. While this amount is peanuts compared to what the Pentagon spends, it could make a huge difference in the human well-being programs that are most likely to be cut as a result of this budget hole.

The phone tax originally was intended

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41% MIGHT Withhold Taxes

If you read AOLs online version of USA Today’s April 14, 2006, article on war tax resisters, you might have noticed the little poll that accompanied the article. Here’s what it looked like a couple months after it was first posted:

Would you ever withhold taxes to protest a government policy?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>54%</td>
</tr>
<tr>
<td>I might</td>
<td>41%</td>
</tr>
<tr>
<td>I already have</td>
<td>5%</td>
</tr>
<tr>
<td>Total Votes</td>
<td>3,777</td>
</tr>
</tbody>
</table>

Of course, the poll results are not scientific. It was possible to vote as many times as you wanted, and the poll reflects the opinions of only those users who chose to participate. Nevertheless, we WTRs have the task of finding the “mights” who are out there and making sure they have the information to become “already haves.”

(You can find the USA Today article on NWTRCC’s website, under the tax day reports on the Latest News page.)

Aging and WTR

Practical War Tax Resistance #7

It really is in stock now! The booklet includes information on health care, Medicare, Social Security, inheritances (giving and getting), trusts, and saving for retirement. Sections offer both factual write-ups and brief stories from resisters on the creative ways they are dealing with these issues. In addition, three resisters over 65 offer tips on housing and sources of support for living well as the decades pile on.

Single copies—$1.65 (includes postage); affiliates’ bulk copies—.50 each plus postage. The booklet can also be downloaded from the Publications page of the NWTRCC website.

WTR Online

The on-line, collaborative encyclopedia known as “Wikipedia” is an increasingly important source of information on topics of all sorts. It has a section on “tax resistance” and also sections on a number of related topics (including NWTRCC). These sections can all use improvement, of the sort that MTAP readers can provide. To learn more about Wikipedia and how to add and improve its content, see http://en.wikipedia.org/wiki/Wikipedia:Introduction. It’s easy to search on topics to find items related to WTR.

(Dave Gross)

…Check out the new-in-2006 resource page on war tax resistance on the Mennonite Central Committee’s website. It’s at: http://www.mcc.org/us/co/wartaxes/ and linked from the NWTRCC website Links page.


…conscience, the Peace Tax Campaign in England has launched a new – flashy – campaign with a great website, http://www.peacepays.org. Look for the link to their PeacePays animation at http://www.conscienceoneline.org.uk. If you know a volunteer who can create a short, animated web ad for us, please contact the NWTRCC office.

Write to Prisoners of Conscience

Joe Donato and Kevin McKee, members of the Restored Israel of Yahweh community in New Jersey, are a few months into their 27- and 24-month sentences respectively. Their Bible-study community has long refused to participate in the federal tax system because the money pays for military violence. The government seemed to target Joe and Kevin as owners of a small construction business, along with Joe’s wife Inge, who occasionally helped out with the bookkeeping. Inge completed a 6-month sentence in February.

Please send letters of support:

Joe Donato
#40884-050
FCI Fairton-Satellite camp
PO Box 420
Fairton, NJ 08320

Kevin McKee
#40886-050
FPC Schuylkill
PO Box 700
Minersville, PA 17954

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Northern California War Tax Resistance created an outdoor WTR slideshow that drew the attention of last minute filers at the West Oakland Post Office on April 17. The text on the slide says “War tax resisters aren’t buying it.”

Daryl Hannah and WTR

Here are the opening three paragraphs of an article in the Los Angeles Times (Calendar section, 6/16/06) titled “What Sent Hannah Up a Tree,” about actress Daryl Hannah. She was arrested June 13 when sheriffs cleared out a 14-acre community farm to make the land available to a developer:

She became a vegan at the age of 11 after she befriended a little calf being hauled by a truck that was parked near a road. The calf kissed her face for about an hour. When the truck driver appeared, she asked him what the calf’s name was. “Veal, tomorrow morning at 7,” he shot back.

At 12, she got into a big argument with her father because she didn’t want her taxes ever going to support war. He told her that if she didn’t pay taxes she’d go to jail.

The education of Daryl Hannah, activist, was under way.

This child’s sentiment confirms what feminist/pacifist/essayist Barbara Deming wrote about freedom: “It has never been grasped once and for all by any people, as it has never been stifled once and for all in any, since with every child born anywhere in the world the appetite for it is born again.” (“Letter to WISP,” 1963, published in Liberation magazine). The same thing could be said as well about peace or about resistance to war.

It’s nice to know that in peace work we have a partner somewhere inside each person we’re trying to contact.

—Joe Maizlish, Los Angeles

Stamp Tax

It’s hard to keep up with all the ways that the nightmare war in Iraq is effecting our lives and pocketbooks. An online article from Wayne Madsen, a DC-based columnist, reported that the postal increase to .39 and a possible .03 increase coming next year can be traced directly to the war. The Bush administration has been borrowing from the Postal Service Fund, a special account in the Treasury Department, taking it quickly from a surplus into a debt that now needs to be repaired by postage increases.
Fundraising News

…Eszter Freeman of Sonoma County Taxes for Peace has agreed to take on the volunteer Fundraising Clerk position advertised in our last issue. She finished a term on the Administrative Committee in May, and we’re glad that she’ll continue to work with us in this new position. If you have fundraising ideas, send them along to the NWTRCC office, and we’ll pass them on to Eszter. We could especially use advice from anyone with expertise in funding film projects. A committee is actively working on plans for a new outreach film about WTR, a high priority expressed at last year’s Strategy Conference.

…Alabama activist Ashley Reynolds has offered to help NWTRCC by making an Afghan that can be auctioned off. She would like readers to send her yarn to make this a WTR community project. Send a skein of worsted weight yarn to Ashley Reynolds, 2310 Auburn DR SW, Decatur, AL 35603.

Las Vegas — from the Peace Perspective

Planning is just getting underway for the next NWTRCC Coordinating Committee meeting, hosted by Las Vegas Catholic Worker, November 3-5. Our gatherings and meeting are open to all WTRs and interested persons. The fall meeting is when we look over what we accomplished (or missed out on) in the past year and outline objectives for the coming year. Based on the objectives, we also pass a new budget for NWTRCC’s fiscal year, which begins each December 1. Along with the business details we’ll take some time to share what individuals and groups have been doing, discuss the impact of the changes in the telephone tax on our work, offer an introductory workshop to newcomers, and hear from local peace activists about their activities and priorities.

A meeting brochure should be ready by September. It will be mailed to the Network List, which includes groups, counselors, and area contacts. We will also mail it to people on our mailing list in the southwest region and post it on the NWTRCC website (see the “Programs and Gatherings” page). See the website or contact the NWTRCC office at 800-269-7464 if you would like to help with planning for the Las Vegas gathering.

Help Spread the Word!

Are you planning to attend any of these events?

- **Camp Democracy**, September 5-21, on the Mall in Washington, D.C. (www.campdemocracy.org)
- **Stopping the Merchants of Death**: A Strategic Conference for Grassroots Activists, Sept. 29-Oct. 2, University of St. Thomas, St. Paul, MN (www.warresisters.org)
- **Practicing and Promoting Peace in Perilous Times**: 2006 Gandhi Conference, M.K. Gandhi Institute for Nonviolence, October 13-14, Christian Brothers University, Memphis, TN, (901-452-2824)
- **Vigil to Close the SOA**, November 17-19, 2006, Fort Benning, Georgia

If so, please contact the NWTRCC office, 800-269-7464, nwtrcc@nwtrcc.org, about helping with a literature table or passing out the WTR Survey. If you are heading to another conference or action and would like some war tax resistance materials to take along, please let us know.
to apply only to those wealthy enough to own telephones. I hope the final elimination of this tax will encourage us to think not only about how to continue refusing to pay war taxes, but also how our tax system can become much more progressive. Taxes that especially impact the rich and large corporations are disappearing. The wealthy (individuals and corporations) get many more tax benefits per dollar paid than lower income people do. Real fairness means that they should pay much more than they are paying now.

Larry Dansinger staffs Resources for Organizing and Social Change (ROSC) and the Maine War Tax Resistance Resource Center.

...Stanley Bohn

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not cover the press conference of our tax resisters group presenting checks of our tax diverted funds to welfare agencies.)

What our family does made the local newspapers and generated some heated criticisms and support for tax diversion. It raised the issue in public, and some military veterans let us know they supported what we do. When others seek ways to counter this country’s addiction to violent, self-destructive solutions, we offer “tax diversion” as a way of refusing to be co-dependent for the addicted.

We are using our annual dilemma of violating the tax laws as reason for our city council to copy the city council of Providence, Rhode Island, which passed a resolution to support the Peace Tax Fund legislation. Maybe such community action will get the attention of our Kansas legislators who, unlike others, haven’t been moved to be co-sponsors of that bill.

The deepest motive for our activism is not to change our national policies. That kind of motivation makes us too cynical and sees others as evil obstacles instead of brothers and sisters caught in security fears. Our national leaders are convinced they have chosen the right way to security. We do tax diversion to point to another way that makes us more human, no matter how foolish this seems.

Phone service may not be disconnected for nonpayment of federal tax.
1971—Lillian and George Willoughby’s VW bug auctioned by IRS for $123 in telephone tax. (PA)
1972—Telephone war tax resisters number up to 500,000.
—David Janzen’s car auctioned for $31.32 unpaid phone tax. (KS)
1973—Phase-out begins.
—IRS attempts to seize a house in Colorado Springs for $7 in unpaid phone tax, but backs off.
—IRS auctions Jim Glock’s bicycle for $22 telephone tax. (TX)
1981—Excise tax down to 1% but elimination deferred.
1982-1989—Tax rate increased to 3% and regularly extended.
—Interest in telephone tax resistance rises as Reagan military budget increases.
1990—3% excise tax made permanent in 1990.
2000—Congress votes to repeal the tax, but full tax bill vetoed by President Clinton.
2003—Online Hang Up On War campaign begins.
—Legislation introduced in Congress to repeal the federal excise tax on all telephone service.


Stanley Bohn lives in Newton, Kansas, and is active with the Heartland Peace Tax Fund.
Stanley Bohn

THE WHY

As war tax resisters the why-we-do-it shapes the what-we-do. Since our reasons for not paying part of our federal income tax are not to avoid all taxes, my wife Anita and I use probably the least clever ways to resist taxes. We reduce our taxable income by giving as much as we can to charitable causes, fill out tax forms, and send in about three-fourths of what we owe. The remaining $500 to $2,000 we send to antiwar groups, or aid to victims of war, or agencies underfunded because the federal budget is lopsided toward military spending.

Most Christians support war as necessary, so it may seem odd that we resist war taxes because we are trying to live by the spirit we see in Jesus. Our Christianity is the Martin Luther King Jr. type. We don't try to make others believe what we do, as if we know the truth and they don't. But we do try to let anyone interested know what we try to live.

THE WHAT

So for the last 27 years, along with our income tax form, we send a letter explaining what we live for and that we aren't keeping the part of the tax we withhold. (Pastors can be self-employed and not have taxes withheld by employers. So it is easier for us to divert part of our federal taxes.) We divert it to agencies that do more for people and our nation's reputation than military solutions. We don't have a rigid formula of the amount to divert from the IRS. We pay enough to support many good things our government does, especially programs for rehabilitation and medical care of veterans. Preparing federal tax forms enables us to easily calculate state income taxes, which we want to pay.

We are probably seen as naïve Mennonites who live cloistered lives out of touch with reality. But we are sufficiently in touch with reality to explain that the military ventures in Colombia, Middle East, Central America, covert CIA operations, the missile defense system, and superpower bullying around the world are harming our nation.

In our letters we explain we don't prefer such illegal action each year, but the Religious Freedom Peace Tax Fund Bill, allowing conscientious objectors to war taxes to instead support health and welfare programs, is stalled in Congress.

At times we have called an IRS 800 number to explain our actions to the surprised but patient IRS employees. Some are sympathetic. We care about the “why”; the IRS doesn't. They refer us to someone else. We continue to get polite, impersonal, computer-generated notices telling us we owe money, or offering an easy payment plan, or threatening action against us, and even attempting to have the church that employed me pay the IRS what we owe. We answer every letter so the IRS may have a thick file of 3 or 4 letters a year for 27 years sharing the same convictions. Eventually, after a year or two the IRS confiscates what we owe, plus interest and penalty, from our bank account. We don't hide our bank accounts as if we are in an adversarial game. Since we retired they instead reduce our social security payments until the government gets what we owe.

THE RESULTS

Is what we do worthwhile? With penalties and interest we pay more than we would otherwise. We do it anyway. Citizens of THE superpower can't ignore reality and should do what we can. But there are useful results. When I was with a Christian Peacemaker Teams delegation in the Middle East, people suffering from U.S. policies were encouraged to hear about war tax resisters. It gave us more credibility that we also “suffered” from U.S. policy. Paradoxically, our contacts in Latin America admired a government that allows this kind of dissent, not permitted in their countries. And also some local charities with cutbacks in federal support were helped by tax diversion. (However, the local newspaper would...)

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