

Report # 1099

Confidential Report

Explanation of the 1099 OID and the 1040V (Voucher) An What Impact It Has On Your Alleged Income Tax Liability

There have been a number of differing interpretations of the use of the 1099-OID and the 1040-V as well as to who is the payer and who is the recipient. Also, there appears to be some differing opinions regarding the term "IRS agent". In trying to understand the IRS function regarding prepaid and the return to the private, here are some of my thoughts. I will try to put this into an itemized format in order to separate the different issues mentioned.

It is important, I believe, that we look at the use prescribed by the IRS for each form; namely the 1099-OID and the 1040-V.

Instructions for the 1099-OID state that it is a form to be completed by REMICs (Real Estate Mortgage Investment Conduit), FASITs (Financial Asset Securitization Investment Trusts), Stock and Bond Brokers, and any other institutions authorized by Congress to convert notes, bonds and other securities into M-1 (liquidity).

1. The 1099-OID (original Issue) deals with our credit as collateral for "*newly created money*" (that which is created by the use of our credit/SS# - even though **/all/** "old" money (money already in circulation) was also created with our credit, or through a pool or blocked grant).
2. Original issue would include all mortgages, bonds, certain securities, car loans, and the like.
3. On the other hand, the 1040-V would be to cover other numerous types of transactions that have not been directly funded by us, those which are **not *funded by unilaterally signed (by us) futures contract* *notes, credit applications and such future contracts. Rather the 1040-V is used for instant use with re-circulated money and bills & statements for products by corporations not governmental approved nor licensed to create money; such as Fanny & Freddie).*
4. Is what we are doing cleansing all the money so that it is no longer contraband (it has been accounted for in other words, appropriated to the proper debtor/tax payer fiction)?

5. So, it would seem that the 1099-OID when declared on the 1040, as that which must be returned to the source, (declared in the total amount of income on line 21 of the 1040) that we are due the refund and the “recipient(s)” are the ones required to declare on their returns all the credit they withheld from us, as their income (all the money created using our credit/labor/assets as the collateral). This is the re-funding to us by IRS thus making the IRS a “pass-through/clearing house” for the reallocation of funds to the proper accounts at the U.S. Treasury and to be properly applied to their respective accounts thus bringing our account to 0-).

6. *Next,* The back of the recipient’s copy of the 1099-OID states as follows (quoted below):

“Original issue discount (OID) is the excess of an obligation’s stated redemption price at maturity over its issue price (acquisition price). OID is taxable as interest over the life of the obligation. If you are the holder of an OID obligation, generally you must include an amount of OID in your gross income each year you hold the obligation. Obligations that may have OID include a bond, debenture, note, certificate, or other evidence of indebtedness having a term of more than 1 year. For example, the OID rules may apply to certificates of deposit (CD’s), time deposits, bonus savings plans, and other deposit arrangements, especially if the payment of interest is deferred until maturity. In addition, the OID rules apply to Treasury inflation-indexed securities. See Pub 550. Investment Income and Expenses, for more information.”

(This is the point at which the account is accelerated in time to maturity. To quote from one of your letters, “when the 1040 assessment is made in truth, the connection is made to all agency accounts for the tax loss write-off as negative payment to Treasury and, now, the prize is taken! How or when is the prize going to be paid out?” We can only hope the IRS will not be hi-jacked by the pirates before delivering the prize.)

It continues: “Box 1. Shows, the OID on the obligation for the part of the year you owned it. Report the amount in box 1 as interest income on your income tax return. However, depending on the type of debt instrument, the issue or acquisition date, and other factors (for example, if you paid acquisition or bond premium, or the obligation is a stripped bond or coupon), you may have to figure the correct amount of OID to report on your return.”

7. The taxes required to be paid by the recipient on the 1099-OID will be the difference between the original issue (will be the face value of the note plus all interest calculated to maturity for mortgages, cars, and financed items) and the discount. (Similar to the difference between wholesale and retail). Each corporation/vender only pays tax on the interest received each year less their costs. This changes and becomes all due when the account is accelerated in time to maturity at which time all interest is due

8. From the above, I concluded the following as pertains to Mortgage Companies (REMICs - Real Estate Mortgage Investment Conduits), FASITs, (Financial Asset Securitization Investment Trusts) and Brokerages, etc.

a. In the case of REMICs etc., (where our credit has been hijacked similar but not identical to what the FTB has done) we now file an IRS form 1099-OID for the amount of the note or original document used by the REMIC to obtain the *"loan"*, etc. which they have requisitioned to their own account. Or we may file any other appropriate 1099, i.e. 1099-B such as would be used for title to real estate or title to a vehicle, etc. or in the case of arrest, the *"body"*. This is when we become identified as the source. The amount on the 1099-OIDs or other 1099s (red forms only) should include the original amount of the *"loan"* (face amount of the note) in addition to any *"payments"* that have been made against the *"loan"*. These payments may be put on separate 1099-OIDs instead of being included with the note amount. These are all amounts of our credit, which they have requisitioned to use to make claim against us. This is declared on line 21 of the form 1040 as taxable income, as zero on line 63, and then as withholding on Line 64 (as we are not the tax payer and we are only identifying our Treasury Account balance). This will then indicate that we are entitled to have our credit re-funded for the amount on line 64. Can you tell me if, at this point, we now have *"true title"* to the property that was used as collateral for the *"loan"* the REMIC etc. made against our credit? Would this remove our *"real property"*, real estate out the control/possession of the government and give us a fee simple or allodial (absolute) title to the property? If so, this would probably also apply to autos, refrigerators, tractors, etc.

b. Only that which we have discharged with cash, checks, money orders, etc, or subsidized with our credit goes onto the 1099-OID.

c. A 1040-V is prepared for the balance they are claiming is owed. The 1040-V is only for *"open"* accounts (those showing a *"balance owed"*) If we pay with a 1040-V, the product will have been purchased with credit. Would this give us the superior title?

d. The REMIC now made a *"loan"* of our credit (they borrowed our credit at the Treasury because they have been authorized by Congress to do so) using our note as collateral. The REMIC now provides the so-called *"lender"*, the one on the Trust Deed that has requested the REMIC to borrow our credit in order that they may pretend to be the *"lender"* on the Trust Deed and submitted the Trust Deed to a Trustee to act as *"holder"*. Is the Trustee now the holder of the Title/ If so, which Title. Since the Title Insurance Companies are the ones insuring the *"Title"* to the REMIC are they not responsible to provide a clean title to us through the use of our credit by the REMIC since they claim they only insure the REMIC, but we pay the premium through escrow?

- e. The REMIC has passed our credit, that has been converted into futures (Mortgage Backed Securities MBSs) and provided funds to close out any prior mortgages, and equity created by “payments” (the giving of money we labored for) as well as inflation from derivatives.
- f. When “*billing*” us, the mortgage company/bank puts a coupon on the bottom of their “assessment/bill” to us (which we do not owe). This zeroes the account on their books because they have billed us and paid us with the coupon (Roget’s Thesaurus qualifies under the heading of “*Money*” that money is a token, script, *coupon*, check, etc. and under the heading of “securities” that a security is a stock certificate, street certificate, interim certificate and coupon). (Black’s fourth edition defines a coupon as:) They use the coupon as a disguised payment to *execute* our credit in order that we still believe we owe and will volunteer into the contract. (Similar to what the FTB does) Would we not then use the 1099-B (barter) in lieu of the 1099-OID to claim our credit used to produce the coupon?
- g. At that point we really do not owe anything; they owe us what they borrowed of our credit plus interest. They are still withholding our exemption they procured from the Treasury and have failed to pay us the interest.
- h. If or when we send a check to them, we have volunteered to contract with the “*so-called lender*” to make the payments and not use the coupon. They */presume/* we have a contract.
- i. So, we can send the 1040-V and use their coupon, for the remainder of the futures contract as we are prepaid and our portion of prepayment being held by the Treasury (unidentified in the pool) with the note or other instrument as collateral, (in Trust Deed states, the Trust Deed is collateral for the Note) can now be appropriated to our account. We file this with a 1099-B for return of all the coupons.
- j. Since they have previously used our SS# to “*borrow*” from our credit at the Treasury, we must take it back from them by filing with IRS to show they are the holders of contraband funds. We undo the presumption that we are the debtor and they are the creditor.
- k. When opening a credit card account, applying for a mortgage, and including any previously “*paid*” property taxes, sales tax, etc., these so-called debts are the ones we want to claim on the 1099-OID since this is “*stolen credit*” (inflation money) and the pirating of our credit. Until we report this on a 1099-OID to IRS, the institution, that converted our instrument (note, bond, application, cash or checks expended, etc.) to create this spendable credit, is identified as the creditor. So, when reported on the 1099-OID we are now identified as the source/creditor of the funds. When we make “*/payments/*” for the so-called “*/loan/*” with FRNs, checks, etc., the 1099-OID would also be used since money had been placed into circulation that this payment is off-setting the OID now

identifies it. We should then expect to be reimbursed through IRS (the accountants and clearing house for the Treasury) for the use of our credit which was wrongly appropriated and identified.

I. I feel uncertain about filing a 1099-OID against certain vendors (the self-employed and those who have used their own hard earned money to go into business) as the vendor was not the originator of the funds directly through us. Only credit banks, credit agencies, mortgage companies, and other organizations authorized by Congress to create money should receive a 1099 OID. Since very few vendors provide “*deferred payments*”, they may be using a bank or other credit agent, i.e. Target, Sears have their own bank. An ordinary vendor is not an original issuer nor an initiator of a blocked grant nor a distributor of same, so, we would need to know if there is a credit provider or not, but if so who they are. A self-employed machine shop, auto repair shop, or other businessman has paid for materials and labor would we not be claiming his credit/labor?

9. We send the form 1040-V with the MO (statement showing “*outstanding balance*”) made payable to the Treasury - For transactions involving vendors.

10. The 1040-V is mainly good for set-off (or payment?) of current (open) billings/statements. It will be one of the red form 1099s to claim the re-funding of the credit.

11. It is important to identify whether our credit has been used or not. Otherwise, you may be providing whomever you are sending the 1040-V payment twice, i.e. he will receive two tax exemptions.

12. Original 1040-V with MO goes to IRS with MO made payable to the Treasury

13. Declare the amount on the MO as income on line 21 of form 1040 (This assesses the tax)

14. The 1040-V (voucher) for payment of tax, pays the amount on line 21- zeroes out the amount on the 1040. (This is slightly different from the 1099s)

15. IRS sends the MO to the Treasury for allocation of the credit to be provided as a tax exemption to the vendor.

16. When the “*vendor*” received the 1040-V with their bill/statement/money made “*payable to U. S. Treasury*”, they can then adjust their books to show the product has been paid for with our exemption and they now have a tax credit.

17. When the product was sold, the company credited “*sales*” on their Profit and Loss Statement and debited “*accounts receivable*” which is a Balance Sheet account.

18. They can then transfer the amount of the asset account “*accounts receivable*” on their Balance Sheet to the asset account “prepaid tax” on their Balance Sheet.

19. The tax will be paid by them when they file their yearly tax return because their taxes are based on sales less cost of good sold shown on the Profit and Loss Statement.

20. Since we have given our credit for payment of the vendor’s MO. The vendor issuing the MO can now use the copy we have sent to them on their tax form (corporation Income Tax Form) to receive a tax exemption/our credit against any tax they may owe. If none owed, they will get a receive a tax refund for the amount of their bill/MO.

21. As pertains to the State tax Assessor, (so-called unpaid statements or “owed” amounts)

22. The State Tax Assessor sends an assessment and has used our SS#.

23. The State Tax Assessor puts a coupon on the bottom of the assessment.

24. This zeroes their account because they have charged our account with the assessment and issued the coupon/money to off-set the assessment, account 0-.

25. At that point we really do not owe anything, the account is at zero; therefore, *they are not in violation* of the law/Constitution as they have not as yet taxed us.

26. If or when we send a check we have *volunteered* and the tax becomes payable because we have contracted by volunteering. Income tax is a volunteer tax.

27. If we send the 1040-V and use their coupon, we are prepaid and our portion of prepayment being held by FTB can now be appropriated to our account. We can then file a 1099-B for the value of the coupon.

28. As pertains to the State Tax Assessor (funds we have given them or they have hi-jacked from us)

29. If the State Tax Assessor has taken from us then we file a 1099-OID to identify the funds they pirated from us.

30. The 1099-OID is filed on the 1040 in lines 21 and 64.

31. We should then be in line to receive a refund for the amount in line 64.

32. We should also be able to file a 1099-B as above.

33. As pertains to the IRS

Follow the procedures above as pertain to State Tax Assessor (the STA) is only a franchise of the IRS and the rules are the same.)

34. When the 1040-V is sent to the vendor, they are now paid by us, for the product, using the IRS as a pass-through/clearing house for the funds they are billing or charging, by now being eligible for a tax credit on * their * returns; a tax credit being the full amount prepaid against any tax they owe (now an asset on their books as prepaid tax). The 1040-V which we send to the IRS is our *"payment"* (accessing our credit through IRS) for the product and authorization to provide the vender a tax exemption for his services and authorization for the funds to create the next prepaid item since they will report the sales on their tax return and provide the amount of the "cost of good sold" which will also be declared on their tax return as to how the *"credit"* was used in the manufacture of the item. We do not want to interrupt commerce. The vendor has paid for the materials and workforce (other people's labor) used to produce the product from some prior original issue. We are then acquiring the item with our exemption/credit through a tax credit to him.

35. Since the 1040-V is a payment to by us to IRS, I believe we need to send the 1040-V directly to the IRS for IRS to validate the invoice/charge/money order made by the vender (that we received the product and the credit was converted into produce (used up in materials and labor) with a copy to the vender and instructions to the vendor that this is payment via their *"tax credit"*.

36. The instructions for the 1040-V state that this form is to be used when submitting payments against income tax owed. See quote from the form:

****"What Is Form 1040-V and Do You Have To Use It?****

37. Detach Form 1040-V along the dotted line. Do not staple or otherwise attach your payment or Form 1040-V to your return or to each other. Instead, just put them loose in the envelope.

38. Mail your 2005 tax return, payment, and Form. It is a statement you send with your check or money order for any balance due on the *"Amount you owe" *line of your 2005 Form 1040. Using Form 1040-V allows us to process your payment more accurately and efficiently. We strongly encourage you to use Form 1040-V, but there is no penalty if you do not."

39. It seems that we might need to file a 1040-V for the total amount of the 1099s filed for return of withholding and show the total amount of tax due on line 63 with the 1040-Vs as payment of the taxes in lieu of the services or product.

40. Therefore, this form has nothing to do with the creation of M-1, rather a payment against taxable income, bill/statement/money order (re-circulated money which would be part of the velocity of money). So, when we use this form we are making the payment against * income * created through a transaction between me and a taxpayer vendor or service provider. When I send the 1040-V to the vendor/service provider, I am telling him that I have made a payment to the IRS and a tax refund is now waiting for him to claim. When he receives the 1040-V with the “*money order*”, he can now show the account paid by journaling the money being held as an accounts receivable, from the accounts receivable, to another asset account; namely, “*prepaid taxes*”. He can now take the 1040-V with the bill/statement/money order and present this to the IRS for payment, either as a credit against any taxes he owes or as a refund. Unless new money has been created by a licensed agency, a 1099-OID is not the form to use for a vendor, i.e. the “*mom and pop*” places. We have received the product in exchange for our exemption. This is exchange dollar for dollar.

41. I’m not sure if we need to take into account the difference between new money (original issue) and old money (money in circulation). Or perhaps it does not matter. The 1040-V pays our expenses/bills/invoices etc. but we are not to get rich off of other peoples labor. It seems to me that if we attempt to get a cash refund in addition to the produce we are stealing. The corporation has converted the credit into product and distributed the credit for materials and labor (other peoples’).

42. The municipalities also make payments for services to the public via contractors which places the funds into circulation. A friend sent a 1099-OID with a 1040-V to the County Property Tax Collector. She received the copy of the 1099-OID back saying they did not need it. They said if she had any questions to call. They kept the 1040-V and we have dropped a short note asking for an acknowledgment of the payment. If she gets it, we will know that the taxes have been paid and the County does not need the 1099-OID probably because they do not file or pay tax or perhaps they have identified the credit already through our property.

43. If her County taxes go away, it would seem we can use the coupon on the bottom of the service companies, phone, gas, electric company, etc. with the 1040-V to pay them. The coupon is the money/check and the amount is usually indicated on the bottom of the coupon similar to check numbering. Black’s says a coupon is to be cut and redeemed for the amount on the coupon. Most companies that use coupons require it to be cut and have the value of the coupon must be printed on it. Just as on coupon bonds, newspaper coupons to clip, and bills to those who have used our credit. They appear on Franchise Tax assessments, IRS assessments, property tax assessments, utility bills, etc., all of which are indirectly using our credit.

44. Many of the services that are under blocked grants, the funds have been designated for certain services i.e. police, fire department, road repair, street lighting, just to name a few, and our 1040-V will underwrite them for us by designating our portion of the “pool” (blocked grants which include all properties assessed by the county and other assets). Because these services have been paid to contractors who perform these services, etc. the levies now placed upon us are indirect and we need to use the 1040-V to pay for our portion of municipal services with the 1040-V. This would then be indirect as opposed to a direct creation of credit and we can use the 1040-V to pay for these services. I do not believe we should request a refund as we are using the services. Please comment on this as others disagree with me. It depends on the intent of asking for the refund and the ultimate objective that would determine whether or not we do so.

45. When the 1040-V is filed with the 1040 as a payment for all debt using funds that have been in circulation; i.e. purchases using cash, checks money orders, etc. as well as statements/bills sent by the vendor which would also include any payments made against credit cards, mortgages, auto loans, etc. we then need to use both the 1099-OID or 1099-B and 1040-V in order to get a return of the funds we have given to them as well as a return of our credit.

46. The Internal Revenue Service is only an accounting service and collection agency for the United States Treasury. They are acting as a pass-through/clearing house for the money system. Therefore, they are the ones who will do the bookkeeping to determine the balances in each account. They can draw on our direct Treasury Account when we send the proper documents. So, it is incumbent upon us to use the forms properly and to the best of our understanding in order that the IRS will be able to perform their duty to keep accurate books and records of our credit with the Treasury and to provide us with the service. If we fail on our part to make frivolous filings, i.e. requesting a refund with the 1099-OID indicating 0- withholding, we will be defeated before we start.

47. I didn't expect this writing to grow so large, but hopefully you will have time to review it and comment on my assessment of what is the proper process. My mind keeps going and doesn't want to stop. Since this is all accounting, the question is how do we access the record/system to set it straight and get our return/withheld funds/payment for labor/intellect, if not through the 1040 and the other forms provided? Title 5 section 552 (I believe this is the correct site) requires that all agencies must correct their records and the Treasury Department has a department, the “*Data Integrity Board*” in Washington, D.C. that requires all agencies must coordinate their records accurately. The Data Integrity Board must report Congress. This might be a source to assist if IRS does not resolve this matter.

48. Just a thought, but on original issues filed on 1099-OID, could 1040-V be used with the money order/bill/statement/charged to us via the U.S. Treasury, i.e.

“Pay to the U.S. Treasury for tax refund to John Doe” (written on the top of the money order/bill/statement/charge.)? We then claim the amount as withholding?

Example of Stamp On The Order For Money (Money Order)

<p style="text-align: center;">PAY TO THE UNITED STATES TREASURY Please find the exact amount of claim reflected on the attached 1040-Voucher to balance out this account to ZERO (0)</p> <p style="text-align: center;">_____ District Director Internal Revenue Service Officer Internal Revenue Service P.O. Box 7906 Annex 5, Stop 5000 Shawnee Mission, KS 66207-0030</p>
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