

The Constitution does not establish the Federal government as the territorial legal authority over us, but rather it establishes the federal government as the legal authority around us and between us. The State governments remain as the representative of the sovereign (We the People) and retain their territorial jurisdiction over their own citizens and own affairs. The Federal government is given authority by the Constitution over affairs with foreign countries (around us), and over interstate commerce (between us), but not directly over us.

The Constitution, of course, gives the federal government complete authority over all foreign affairs and foreign persons in America. [Article 1, Section 8, Clauses 3 and 4](#) of the Constitution grant powers to the federal government over foreign affairs, agreements, and persons; and [Article I, Section 10, Clauses 1, 2 and 3](#) of the Constitution prohibit the States from enacting agreements with foreign entities. This absolute federal jurisdiction over all agreements with foreign governments and over all foreign persons in America is part of the legal authority allowing for the passage of a tariff act authorizing the collection of an income tax from foreign persons on their activity in America.

To see that the income tax actually created by the tariff act is only imposed by law within this foreign jurisdiction that the federal government possesses under the constitution over all foreign matters, and is not actually imposed domestically beyond that foreign jurisdiction on citizens and residents within America, one only need examine the difference in the treatment under the law between non-resident aliens and resident aliens in regards to the withholding of tax at the source.

From the legal definition of the Withholding Agent we clearly see that non-resident aliens are subject to the withholding of income tax under [Section 1441](#). However, as soon as a non-resident alien becomes a resident alien, then he/she is no longer subject to the withholding of income tax at the source by the Withholding Agent because he/she is no longer part of the definition of the Withholding Agent's authority over subject persons. The statutory definition of the Withholding Agent, from [Title 26 U.S.C. Section 7701\(a\)\(16\)](#), only specified that withholding was required under [Sections 1441, 1442, 1443 and 1461](#), as we have seen. Once the non-resident alien become a resident alien they are no longer the subject of the tax, and it is no longer authorized to be withheld from them because they are no longer within its jurisdictional reach because as a resident of one of the fifty states the aliens' activity is now recognized by the law as being domestic and not foreign, and therefore outside the federal territorial and subject matter jurisdictions.

The resident alien's economic activity is no longer within the foreign jurisdictional authority of the federal government because they are now under the territorial jurisdictional authority of the state government that they are resident within. Tariffs are imposed on foreign activity, not domestic. As soon as the non-resident alien becomes a resident ("resident" is defined in the law) his activity is recognized by the law as being moved from the "foreign" category that is subject to a tariff, and into the "domestic" category, which is outside the subjectivity to any tariff, and the withholding of tax from their payments terminates. Domestic activity is not subject to any tariff because a tariff is a foreign tax. Even when the activity is conducted by a foreign person who has become a resident in the U.S. (but who is still foreign) the tax is not withheld at the source because the resident is not subject to the payment of a tariff, because a resident's activity is not considered foreign, but domestic, and is therefore not lawfully subject to payment of a tariff on foreign activity. If resident aliens aren't even subject to the income tax it is of course absurd to even suggest that American

citizens are, or ever were the proper subjects of this income tax in the form of a foreign tariff - that is all government mythical fiction and propaganda, as we have exposed.

Additionally, the Federal government is the territorial authority in the U.S. territories and possessions, where it is the authority over the people in those places, **but not in the fifty states.**

And what does the Supreme Court say about Federal jurisdiction ?

"The laws of Congress in respect to those matters {outside of Constitutionally delegated powers} do not extend into the territorial limits of the States, but have force only in the District of Columbia, and other places that are within the exclusive jurisdiction of the national government. Constitutional restrictions and limitations were not applicable to the areas of land, enclaves, territories and possession over which Congress had exclusive legislative authority" [[Downes v. Bidwell](#), 182 US 244]

"Special provision is made in the Constitution for the cession of jurisdiction from the States over places where the Federal government shall establish forts or other military works. And it is in these places, or in territories of the United States, where it can exercise a general jurisdiction." [[New Orleans v. United States](#), 35 US (10 Pet.) 662 (1836)]

"The federal government has nothing approaching a police power" [United States v. Lopez](#)

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"All legislation is prima facie territorial" [[American Banana Co. v. U.S. Fruit](#), 213, U.S. 347 at 357-358]

"There is a canon of legislative construction which teaches Congress that, unless a contrary intent appears [legislation] is meant to apply only within territorial jurisdiction of the United States." [[U.S. v. Spelar](#), 338 U.S. 217 at 222]

"the United States never held any municipal sovereignty, jurisdiction, or right of soil in Alabama or any of the new states which were formed ... The United States has no Constitutional capacity to exercise municipal jurisdiction, sovereignty or eminent domain, within the limits of a state or elsewhere, except in the cases in which it is expressly granted ..." [[Pollard v. Hagan](#), 44 U.S.C. 212, 221, 223]

"... the states are separate sovereigns with respect to the federal government" [[Heath v. Alabama](#),

[474 U.S. 82\]](#)

"No sanction can be imposed absent proof of jurisdiction"
[Stanard v. Olesen, 74 S. Ct.768]

"Once challenged, jurisdiction cannot be 'assumed', it must be proved to exist."
[Stuck v. Medical Examiners, 94 Ca2d 751.211 P2s 389]

"Jurisdiction, once challenged, cannot be assumed and must be decided."
[Maine v. Thiboutot, 100 S. Ct. 250]

"... Federal jurisdiction cannot be assumed, but must be clearly shown."
[Brooks v. Yawkey, 200 F. 2d 633]

"The law requires proof of jurisdiction to appear on the record of the administrative agency and all administrative proceedings" [[Hagans v. Lavine, 415 U.S. 528\]](#)

"If any tribunal finds absence of proof of jurisdiction over person and subject matter, the case must be dismissed." [[Louisville R.R. v. Motley, 211 U.S. 149, 29 S. Ct. 42\]](#)

"It is well established principle of law that all federal legislation applies only within the territorial jurisdiction of the United States unless a contrary intent appears" [[Foley Brothers, Inc. v. Filardo, 336 US 281 \(1948\)](#)]

"Jurisdiction is essential to give validity to the determinations of administrative agencies and where jurisdictional requirements are not satisfied, the action of the agency is a nullity.." [[City Street Improv Co. v. Pearson, 181 C 640,185 P. \(1962\)](#); [O'Neil v. Dept. of Professional & Vocational Standards, 7 CA2d 393, 46 P2d 234\]](#)

"The law requires proof of jurisdiction to appear on the record of the administrative agency and all administrative proceedings" [[Hagans v. Lavine, 415 US 533\]](#)

"Failure to adhere to agency regulations may amount to denial of due process: if regulations are required by Constitution or statute." [[Curley v. United States, 791 F. Supp. 52\]](#)

"Indeed, on this crucial point, the majority and Justice Breyer agree in principle: the Federal government has nothing approaching a police power." [[United States v. Lopez, No. 93-1260, 115 S. Ct. 1624, 131 L. Ed. 2d 626\]](#)

"...the commerce clause...has always been understood as limited by its terms; and as a virtual denial of any power to interfere with the internal trade and business of the separate states" [[United States v.](#)

DeWitt, 76 US 41 9 Wall 4, 19 L. Ed 593]