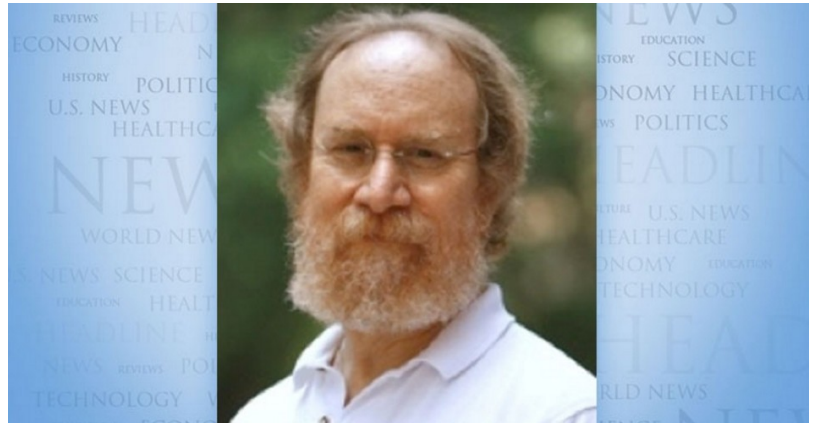




Written by [Sheldon Richman](#) on October 29, 2014

Abolish the Income Tax and IRS

For some time now we've lived with the scourge of civil asset forfeiture, under which the police can seize a person's property on the mere suspicion it was used in a crime and without having to charge the owner with an offense. Since the authorities have no burden to prove guilt beyond a reasonable doubt, the burden of proving innocence falls on the hapless citizen who wishes to recover his property.



Amazingly, people describe as free a society that features this outrage.

Now it comes to light that the Internal Revenue Service does something similar. The *New York Times* [reports](#) that the IRS seizes bank accounts of people whose only offense is routinely to make deposits of less than \$10,000. If you do this enough times, the IRS may suspect you are trying to avoid the requirement that deposits of \$10,000 or more be reported by the bank. The IRS keeps the money, but the depositors need not be charged with a crime.

You read that right. The government demands notification whenever a bank customer deposits \$10,000 or more. If you are merely suspected of avoiding that requirement, it can cost you big time.

Welcome to the land of the free.

"Using a law designed to catch drug traffickers, racketeers and terrorists by tracking their cash," the *Times'* Shaila Dewan writes, "the government has gone after run-of-the-mill business owners and wage earners without so much as an allegation that they have committed serious crimes. The government can take the money without ever filing a criminal complaint, and the owners are left to prove they are innocent. Many give up."

Dewan tells the story of a restaurateur who learned this the hard way:

For almost 40 years, Carole Hinders has dished out Mexican specialties at her modest cash-only restaurant. For just as long, she deposited the earnings at a small bank branch a block away — until last year, when two tax agents knocked on her door and informed her that they had seized her checking account, almost \$33,000.

The Internal Revenue Service agents did not accuse Ms. Hinders of money laundering or cheating on her taxes — in fact, she has not been charged with any crime. Instead, the money was seized solely because she had deposited less than \$10,000 at a time, which they viewed as an attempt to avoid triggering a required government report.

"Who takes your money before they prove that you've done anything wrong with it?" Hinders asks. "The federal government does," the article replies.

Three brothers who own a company had \$447,000 seized under this power, while a man saving for his daughters' education lost \$66,000. He settled and got all but \$21,000 back.

When the *Times* asked the IRS about this, the agency "announced that it would curtail the practice, focusing instead on cases where the money is believed to have been acquired illegally or seizure is



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deemed justified by ‘exceptional circumstances.’”

We should not be comforted. First, it took a query from the country’s most prominent newspaper before the IRS said a word. And second, why should we trust the IRS? The next time a seizure is exposed, an IRS official can plead “exceptional circumstances.”

How long will Americans quietly suffer such outrages? They seem to have no idea that the country was founded by colonists who were sick of arbitrary rule by tyrants who saw them as mere subjects to be looted and humiliated.

In the past, when advocates of big government called for an income tax, opponents warned that the government would become “[inquisitorial](#).” How right they were. The tax rationalized the creation of the inquisitorial Internal Revenue Service, which to carry out its nefarious work must have access to all of our personal financial information. Nothing can escape its view if it is to do its job.

That’s the mandate Congress has given the IRS, and that’s why it does the ugly things it does. Congress could stop it by repealing some laws. But don’t hold your breath.

All taxation is robbery, but the income tax is the most egregious form of all because of this invasion of privacy. Modest reforms will not be enough. Only uprooting the tax system and abolishing the evil IRS will do.

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