



Frivolous Return Prog., Stop 4450
OGDEN UT 84201-0059

In reply refer to: 1000145501
Mar. 29, 2019 LTR 3176C 0
[REDACTED] 201712 30
Input Op: 1486984920 00021906
BODC: WI

CRAIG J SCHIEDER
705 MOORE AVE
TONAWANDA NY 14223

Taxpayer identification number: [REDACTED]
Form: 1040
Tax periods: Dec. 31, 2017

Employee identification number: 1000145501
Contact telephone number: 866-883-0235
Contact fax number: 855-246-4886

Dear Taxpayer:

You filed a purported tax return for the tax periods above that claimed one or more frivolous positions or reflected a desire to delay or impede administration of the tax laws. If you don't immediately correct your return, we'll assess a \$5,000 penalty against you.

WHY WE ARE CONTACTING YOU

Based on Internal Revenue Code Section 6702, Frivolous Tax Submissions, we determined the information you filed as a purported tax return, on Dec. 26, 2018 is frivolous and there is no basis in the law for your position.

Federal courts, including the Supreme Court of the United States, have considered positions like yours and repeatedly rejected them as without merit. Publication 2105, Why do I have to Pay Taxes?, includes examples of frivolous positions and arguments regarding the U.S. tax system under the heading "Don't Fall for These Arguments." Notice 2010-33 provides detailed information on positions identified as frivolous under Section 6702.

You included a position that has no basis in the attempting to avoid or reduce tax liabilities or that you're not entitled to.

WHAT YOU NEED TO DO

To avoid this penalty, send us a corrected return for the period listed at the top of this letter within 30 days of this letter. Once we receive your corrected return, we will disregard the previous documents you filed and you will avoid the frivolous tax return penalty for each corrected return.

If you have questions or concerns regarding the

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CRAIG J SCHIEDER
705 MOORE AVE
TONAWANDA NY 14223

or response timeframes, please contact the number listed at the top of the letter.

Attach this letter to your corrected returns and mail it to the return address at the top of this letter.

IF YOU DON'T SEND A CORRECTED RETURN

If you don't file the corrected returns within 30 days from the date of this letter, or if you submit additional documents asserting a frivolous position, we will assess the \$5,000 penalty for each purported tax return containing a frivolous position and send you a bill. If you filed a joint frivolous return, both you and your spouse will be assessed a \$5,000 penalty. Internal Revenue Code Section 6702 provides us the authority to assess this penalty. We won't respond to any future correspondence asserting any frivolous position.

In addition, if we don't hear from you within the 30-day timeframe, we may issue a notice of deficiency for any taxes owed because of the frivolous submission or other items we may find during an examination. A notice of deficiency states the amount of additional tax and penalties you owe and explains your right to contest the deficiency by filing a petition with the United States Tax Court. The \$5,000 frivolous filing penalty is not included in the notice of deficiency and cannot be contested in that Tax Court proceeding.

ADDITIONAL INFORMATION

For more information on positions identified as frivolous under Section 6702 see: www.irs.gov/notice201033. If you don't have a computer, consult a law library to access Notice 2010-33 in the Internal Revenue Bulletin (I.R.B.). You can find additional information in a publication titled "The Truth About Frivolous Arguments" available on-line only at www.irs.gov/frivolous.

See Publication 2105 for basic information about the tax system. We also encourage you to seek advice from a competent tax professional or a tax attorney qualified to practice in your state.

If you need forms, schedules, or publications, you can get them by visiting www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

We enclosed a copy of this letter for your records and an envelope for your convenience.

If you have additional questions, you can call us at 866-883-0235,

1000145501

Mar. 29, 2019 LTR 3176C 0

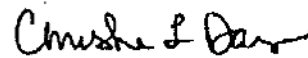
201712 30

Input Op: 1486984920 00021908

CRAIG J SCHIEDER
705 MOORE AVE
TONAWANDA NY 14223

Monday through Friday 7:00 am to 3:30 p.m. MST.

Sincerely yours,



Christine L. Davis
Program Manager RICS/IVO

Enclosures:
Copy of this letter
Envelope
Publication 1



Department of the Treasury
Internal Revenue Service
Stop 6525 (SP CIS)
Kansas City MO 64999-0025



Notice	CP49
Tax Year	2017
Notice date	April 1, 2019
Social Security number	[REDACTED]
To contact us	800-829-0922
Your Caller ID	843365
Page 1 of 1	9H

365045.133339.421175.652 1 AB 0.412 464



CRAIG J SCHIEDER
705 MOORE AVE
TONAWANDA NY 14223-1845

55045

We applied \$17,965.00 of your 2017 overpayment to an unpaid balance

Refund due: \$0.00

We applied your 2017 Form 1040 overpayment to an amount owed for other tax years.

As a result, your refund has been reduced to \$0.00.

Summary

Overpayment for 2017	-\$17,965.00
Amount applied to tax owed for 2008	1,407.59
Amount applied to tax owed for 2010	3,889.12
Amount applied to tax owed for 2011	12,668.29
Refund due	\$0.00

What you need to do

You don't need to do anything.

Additional information

- Visit www.irs.gov/cp49
- For tax forms, instructions, and publications, visit www.irs.gov/forms-pubs or call 800-TAX-FORM (800-829-3676).
- You can contact us by mail at the address at the top of this notice. Be sure to include your Social Security number, the tax year, and the form number you are writing about.
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

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Craig J. Schieder
705 Moore Ave
Buffalo NY 14223

April 15, 2019

TIME SENSITIVE: RESPONSE REQUIRED

Internal Revenue Service
Frivolous Return Prog., Stop 4450
Ogden UT 84201-0059

RE: Response to "1000145501 Mar 29, 2019 LTR 3176C"
Social Security Number [REDACTED]
Year ending December 31, 2017

Re: LTR 3176C for Year 2017 1040 Tax Return

Please place this letter, with the enclosed documents, in my administrative file.

To whom it may concern:

I am writing this letter in response to your letter "LTR 3176C" dated April 4, 2019 (hereafter referred to as "LTR 3176C") a copy of which is enclosed, that I received claiming that the 2017 Form 1040 tax return I filed has in some way been construed as "frivolous." You requested a response within 30 days which you have now received via certified mail.

I do not believe that the vague assertions made on the notice referred to as "1000145501 Mar 29, 2019 LTR 3176C" sent to me March 29, 2019 (copy attached) amounts to sufficiently formal controversion of the sworn testimony on my amended return as to merit anything "frivolous" For one thing, your notice fails to identify any actual flaw in my return.

Perhaps you have mistaken my return for someone else's. Perhaps you are simply trying to operate outside your authority in making these extortionate threats. Nonetheless, experience has taught me that you are reflexively devious and exploitive. Even though your LTR 3176C is on its face meaningless, I will operate on the presumption that it is sent as a pretext on the basis of which you will imagine some further actions to be legitimized should I fail to rebut.

Furthermore, I disagree with the IRS' inferred interpretation of IRC 6702 as pointed out in your notice. My 2017 Tax Year was closed on 04/12/2019 as per YOUR IRS Notice CP49 – how can you claim a penalty when I owe nothing, and the matter is settled?

At any rate, assessment has nothing to do with the IRS determining the amount of "income" on a return as seems to be inferred in your quoting of 6702(a) A.1 & 2! It is very clearly shown via 26 USC 6203 Method of Assessment:

"The assessment shall be made by recording the liability of Secretary in accordance with rules or **regulations** prescribed. Upon request of the taxpayer, the Secretary shall furnish the assessment" (Boldface added)

And 26 CFR 301.6203-1 that:

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"The amount of the *assessment shall, in the case of tax shown on a return by the taxpayer, be the amount so shown.* . . ." (Boldface, underlining and italics added)

It doesn't say, "The amount of the assessment shall, in the case of tax greater than zero shown on a return..." does it? No! If "taxable income" is "zero", then the self-assessed tax amount will naturally be "zero". It is inescapable!

You are also inferring that B.1 or 2. Applies to my return, but you are leaving it up to me to imagine which one *must* be applicable. You are the party making the accusation, so surely, you must know which one it is! However, there is no disclosure in your notice! I am astounded that you would think that I would fall for this!

You state toward the end of the first page that "If you wish to contest the **assertion** of the penalty..." That is an interesting word to use here: The American Heritage Dictionary of the English Language defines "assertion" as: "A positive statement without support of proof." So, what are you doing is making a statement that I have been charged a penalty described in a certain section of law, which is quoted, that you state I have violated without providing conclusive proof of same.

Since you are the ones making the assertion that a "Penalty Assessment" in the amount of \$5,000.00 has been assessed, let's see it.

Please provide me a copy of the record of assessment for 2017 as is allowed by the provisions of 26 USC 6203:

"...Upon request of the taxpayer, the Secretary **shall furnish** the taxpayer a copy of the record of the assessment..." (Boldface, underlining added)

within 30 days from the date of your receipt of this letter as confirmed by postal return receipt through the United States Postal Service.

An aggregate record will not satisfy this request. Adequate compliance with this request requires documentation sufficient to clearly establish my personal liability. I demand an actual photocopy, with the signature of the assessment officer included. The reason for this request is both to establish the existence of the assessment, and of determine for myself the assessment's compliance with all related provisions of the law.

The making of the request is not to be considered or construed as an admission of "taxpayer" status or of liability for any tax penalty. Refusal to cooperate with this request will be recognized as an acknowledgement that I am NOT, in fact liable for the penalty alleged to be due and owing or otherwise collectible in any manner as inferred by your notice!

The valid Form 1040 return I filed for 2017 had documents (signed by me under penalty of perjury) submitted with it that corrected the incorrect information that was reported, and the IRS has processed them in relation to my return to my satisfaction in that the "Amount Included on Your Return" was correctly recorded as \$0 (zero dollars). I have enclosed copies of those documents for your reference and to support my statement and I will use them in any court proceeding if needed. **I expect the IRS to correct its records as to what was reported to them based on these documents submitted by me.**

In addition, the IRS has **NO** lawful authority to change my return

If the IRS has firsthand knowledge of any amounts reported other than what I have claimed and sworn to under penalty of perjury, I will require Section 6201(d) verification to support your position.

Prior to any formal or informal due process hearing, I expect and require meaningful clarification as to the nature of and reason for, any alleged assessment, the process by which any and all relevant determinations reflected in and by your office were arrived at, and anything else pertinent to the matter.

The 1040 return I filed for 2017 had documents (signed by myself and sworn to under penalty of perjury) submitted with it that corrected the erroneous information returns that were improperly filed by third party payers. This included a Form 4852 correcting an erroneously reported Form W-2 along with documents correcting four (4) erroneously reported 1099-MISC forms, which specifically rebut any presumption that the personal payments that were paid to me by these companies were "taxable".

Your letter LTR 3176C, relies on the erroneous information supplied by third party payers alleging that the payments made to me were paid in the course of a "trade or business." The instructions for the Form 1099-MISC explicitly state under the listing of Specific Instructions: **"Trade or business reporting only.** Report on Form 1099-MISC only when payments are made in the course of your trade or business. **Personal payments are not reportable.**" (Emphasis added) Furthermore, referencing the IRC §7701, Definitions (a) (26): "The term 'Trade or Business' includes the performance of the functions of a public office." **Neither I nor the payers to my direct knowledge are engaged in a trade or business as specified.** The payers were under no legal requirement to submit a Form 1099-MISC for those payments, however, they did so erroneously. Consequently, all of the information returns that you received in regards to my personal compensation for the tax year 2017 constitute "Bad Payer Data" as described in the Internal Revenue Manual, Part 4.2.2.4 (10-01-03) #4E **"Nontaxable income reported as taxable."**

As I did not engage in a "trade or business" as defined in Title 26, none of these payments are connected with the performance of the functions of a public office or otherwise constitute gains, profit, or income within the meaning of relevant law. Nor did I engage in any other federally privileged activity while providing any services in my private capacity to these private companies, so no "taxable" events occurred, and therefore, no tax liability was incurred. These individuals and or corporations have nothing to do with the performance of the functions of a public office. They were not required to report my private sector payments on FORM 1099-MISC.

I also rebutted any claims that I was an "Employee" making "Wages", as all the reporting entities that submitted the erroneous information returns with respect to me, are non-governmental, for profit, private-sector businesses or corporations, and have not paid me any Federally-connected compensation for any federally connected services performed by me as defined in IRC 26 U.S.C §7701(a)(26) and should not have reported on Form W2. Of course, as previously stated, their erroneous information return filings of FORM W2, and all FORMS 1099-MISC do not match my correction of each and constitutes "Bad Payer Data." **I have provided further clarification below:**

The form W2 information return filed by Colton Auto Inc. is in error and represents "Bad Payer Data" per IRM 4.2.2.4 [10-01-03] #4E "Nontaxable income reported as taxable..." The payments made to me by this "Payer" does not constitute "Wages" as the term is clearly defined in the IRC Title 26 §3401(a) and 3121(a). In 2017 I was a private sector worker and not an "Employee", as defined in IRC § 3401(c), as I am not a government official nor have any relationship with any public office or benefit from any type of federal privilege whatsoever. None of these payments are connected with the performance of the functions of a public office or otherwise constitute gains, profit, or income within the meaning of relevant law.

The erroneously reported Form 1099-MISC information returns below also represent "**Bad Payer Data**" per IRM 4.2.2.4 [10-01-03] #4E "**Nontaxable income reported as taxable...**" - these were also corrected in the 2017 1040 return

1. 1099-MISC from Tiffin Motorhomes Inc
2. 1099-MISC from Grand Design RV LLC
3. 1099-MISC from Forest River Inc.
4. 1099-MISC from Thor Motorcoach Inc.

In summary, none of the compensation I received during the tax year in question falls under the classification of "taxable income" and as I stated in my 2017 1040 return, I am entitled to a full refund in accordance with tax law, of all withheld funds during that period.

The information reported to you about me by these third parties has now been clearly demonstrated to be "Bad Payer Data" and was properly corrected by myself in accordance with the tax law, and declared and sworn to be true correct and complete under penalty of perjury.

I fully expect the IRS to correct its records as to what was improperly reported to them, based on the documents submitted and sworn to by me, and to adhere to the tax code and the mechanism provided by Congress to correct "Bad Payer Data" without further delay, or forward the matter to the person who has the properly delegated authority to make the necessary corrections.

The rule of law is very important for the good of the nation and for me personally. **If you have direct knowledge of the payments I received from these payers as being connected with federal monies subject to the income excise tax, I need proof of that in writing.** Failing that, I fully expect and request that the record be corrected as soon as possible, to reflect the information that I corrected and submitted on my valid 2017 Form 1040, to which I declared under penalty of perjury, to be true, correct and complete to the best of my knowledge and beliefs.

I request and demand any and all due process to which I am entitled or which is in any way appropriate and/or available to me under any provision or practiced of common, statutory, and/or administrative law or protocol including, but not limited to, that to which your Notice refers; and incorporate by reference into this request and demand all relevant information included on or in that Notice or by requesting and demanding the due process referenced above.

I declare that I make no admissions as to my status, the legitimacy of your implicit or explicit assertions, or the fitness of any particular legal or administrative protocol by responding to your Notice or by requesting and demanding the due process referenced above.

In light of the information that I have provided, I would greatly appreciate for you to correct the record without further delay and notify me of such action. No further action is required by the IRS other than to correct its information as I have reported it under penalty of perjury and to kindly report back that this matter is closed.

If the IRS or its officers/agents disagree and fail to rebut in writing within 30 days of receipt of this Response that with which they disagree, then they admit to all the above statements as truthful and fully binding upon them in any court of the United States of America without protest, objection, or that of those who represent you.

You will find attached a sworn affidavit directed at each element of fact involved in the penalty with which you threaten me. In the absence of contradictory evidence of comparable focus and competence you are entirely lacking any legal grounds to proceed with your threats, in my opinion. In any event, you bear the

burden of proving your allegations, a burden which is NOT met by simply making vague assertions and threats.

Under penalty of perjury, I declare that I have examined the facts stated in this letter, including any accompanying documents, and to the best of my knowledge and belief, they are true, correct and complete.

X _____

Date _____

Craig J. Schieder

If the above information clarifies my 2017 return to your satisfaction, thus eliminating the need of pursuing any further "Frivolous" assertions or Notice of Deficiency and/or issuing further threatening notices, please do not read further. Otherwise please continue:

Please permit me to gently inform you of the law relevant to extortion and **USC Title 26 Section 7214(a) which states that:**

(a) Unlawful acts of revenue officers or agents

Any officer or employee of the United States acting in connection with any revenue law of the United States -

- (1) who is guilty of any extortion or willful oppression under color of law; or
- (2) who knowingly demands other or greater sums than are authorized by law, or receives any fee, compensation, or reward, except as by law prescribed, for the performance of any duty; or
- (3) who with intent to defeat the application of any provision of this title fails to perform any of the duties of his office or employment; or
- (9) who demands, or accepts, or attempts to collect, directly or indirectly as payment or gift, or otherwise, any sum of money or other thing of value for the compromise, adjustment or settlement of any charge or complaint for any violation or alleged violation of law, except as expressly authorized by law so to do;

shall be dismissed from office or discharged from employment and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both. The court may in its discretion award out of the fine so imposed an amount, not in excess of one-half thereof, for the use of the informer, if any, who shall be ascertained by the judgment of the court. The court also shall render judgment against the said officer or employee for the amount of damages sustained in favor of the party injured, to be collected by execution.

Further, each and every penalty that is imposed without any basis in law and fact, will be considered an "extortion or willful oppression under color of law" – a violation of 26 USC 7214(a) (1).

Further, 18 USC § 872 Extortion by officers or employees of the United States

Whoever, being an officer, or employee of the United States or any department or agency thereof, or representing himself to be or assuming to act as such, under color or pretense of office or employment commits or attempts an act of extortion, shall be fined under this title or imprisoned not more than three years, or both; but if the amount so extorted or demanded does not exceed \$1,000, he shall be fined under this title or imprisoned not more than one year, or both.

Further, 18 USC § 876 Mailing threatening communications

(d) Whoever, with intent to extort from any person any money or other thing of value, knowingly so deposits or causes to be delivered, as aforesaid, any communication, with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat to injure the property or reputation of the addressee or of another, or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime, shall be fined under this title or imprisoned not more than two years, or both.

Please understand that none of these criminal offenses require that you're involved directly and benefit from the crime. That is to say, *extorting money by threat*, etc., is criminal even if it is only done as the agent of the direct beneficiary of the extorted money. Thus, for a government agent to extort money by threat is a FELONY and to do so, where the extortion would result in a financial benefit to the government is a *multiple FELONY*.

Further, 26 USC § 6203 Method of assessment

The assessment shall be made by recording the liability of the taxpayer in the office of the Secretary in accordance with rules or regulations prescribed by the Secretary. Upon request of the taxpayer, the Secretary shall furnish the taxpayer a copy of the record of the assessment.

Further, among the rules or regulations prescribed by the Secretary, per the directive reflected at 26 USC § 6203, we find:

26 CFR § 301.6203-1 Method of assessment

The district director and the director of the regional service center shall appoint one or more assessment officers. The district director shall also appoint assessment officers in a Service Center servicing his district. **The assessment shall be made by an assessment officer signing the summary record of assessment.**

Therefore, I request that the Secretary furnish me with an actual photocopy of my record of assessment within 30 days of the mailing date of this letter, February 19, 2020, with the signature of the assessment officer included, and an explicit statement that the reason for the request was both to establish the existence of an assessment, and to determine for myself any assessment's complete compliance with all related provisions of law.

Also, please understand that a refusal to cooperate with my request for a record of assessment would be a violation of **USC Title 26 Section 7214(a) (3)**.

My 2017 Form 1040 Federal return is complete, true and correct to the best of my knowledge and belief. Please refer to the signed jurat on my 2017 Form 1040 page 2, and the signed jurat on my corrected 2017 Form 4852, et al

Kind regards,

Craig Schieder

Enclosures:

Affidavit of mailing

LTR 3176C Response Form

2017 1040 with Form 4852 (corrected) and (4) 1099-MISC Forms (corrected)

AFFIDAVIT

I, Craig J. Schieder, being of sound mind and upon my oath, depose and state under penalty of perjury the following:

1. The tax return I completed and submitted concerning the year 2017 contains entries declaring total (gross) income receipts and adjusted gross and net income receipts computed according to the instructions provided; a self-assessment of tax due upon the computed "net income" per the tax table provided; and an unaltered signed affirmation regarding the truth, completeness and correctness of these entries and assessment.

To the best of my knowledge and belief, the above-listed entries comprise information by which the substantial correctness of the self-assessment on the return can be judged and shown to be factual.

2. Aside from identifying information, address, signature and date, and the Form 1040 with its accompanying instruments which I completed and submitted for the year 2017, it contains nothing from my hand except the following information:

- a. numeric entries;
- b. Form 4852 rebuttal correcting an erroneously filed third party W2 with a declaratory statement with the answer to a question posed by the Secretary for an explanation of how I determined what amounts to report on the various lines of the form – MY STATEMENT FROM LINE 9 OF FORM 4852 IS AS FOLLOWS BELOW:

"LINES 7(a),(b),(c),(e),(f),(h) and (i) are corrected as I DID NOT receive any "wages" as defined in IRC §3401(a) & §3121(a) & others. This claim by "payer" is hereby rebutted. I'm a private sector worker & payer is a private sector company not engaged in a Federally privileged activity. LINES(e),(f),(h) and (i) were obtained from an erroneous W2 received from the "payer" on line 5 "

- c. the answer to a question posed by the Secretary concerning what efforts were made to secure a correct W-2 from the payer listed on the form: MY STATEMENT FROM LINE 10 OF FORM 4852 IS AS FOLLOWS BELOW:

" When I notified "Payer" of error, they said they will not change how they report payments in fear of retaliation from IRS"

- d. And my statement declaring the purpose of an instrument created to rebut allegations made by others on Forms 1099-MISC, and on Form W2 with a jurat regarding my declarations and rebuttals

To the best of my knowledge and belief, nothing on the return constitutes information that on its face indicates that the self-assessment is substantially incorrect or in any way "Frivolous" as such pursuant to 6702(c).

3. The information on the tax return I completed and submitted concerning the year 2017 is not based on, nor reflective of, any "position" identified by the Secretary of the Treasury or his delegates as "frivolous" and published as such pursuant to 6702(c).

4. The content of the tax return I completed and submitted concerning the year 2017, and the act of its completion and submission, are not intended, expected or desired to impede or delay the administration of any federal tax law.

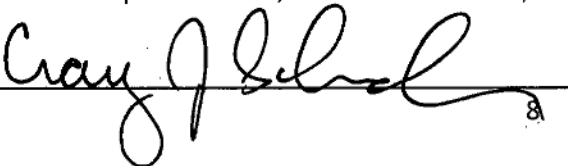
On the contrary, the return I completed and submitted concerning the year 2017 is my best effort to fully comply with all legal obligations to which I am subject to the best of my understanding of those obligations, and to conform with all relevant provisions of law as best I understand those provisions. It is my sincere hope and intent that the return contributes to and is met with the smooth, speedy and proper administration of the federal tax laws.

5. I am not an officer or employee of a corporation or member or employee of a partnership, who as such officer, member or employee is under any duty whatsoever concerning tax forms, reports or tax-related matters of any kind. Nor am I a member of any class illustrated or defined by the foregoing enumerated examples.

6. I have never knowingly and intentionally created, acknowledged or supported any relationship or presumption of a relationship between me and the United States under the auspices or by virtue of which the United States is authorized to seize property from me or subject me to fines or penalties other than by making a formal complaint and proving its claims to the satisfaction of an impartial judicial tribunal as Plaintiff in an adversarial proceeding in which I enjoy the benefit of all presumptions, and which conforms to the specifications of the Seventh Article of Amendment to the United States Constitution.

I affirm under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed April 15 2019, at 705 Moore Ave, Buffalo NY 14223



Craig J Schieder



Department of the Treasury
Internal Revenue Service
Holtsville, NY 11742-0480



9307 1107 5660 5875 3970 12

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CRAIG J SCHIEDER
705 MOORE AVE
TONAWANDA NY 14223-1845



	WI
Notice	CP504
Tax year	2017
Notice date	August 5, 2019
Taxpayer ID number	[REDACTED]
To contact us	Phone 800-829-0922
Your Caller ID	843365

Page 1 of 5

025415

Notice of intent to seize (levy) your property or rights to property
Amount due immediately: \$5,024.03

This is a notice of intent to levy your state tax refund or other property. As we notified you before, our records show you have unpaid taxes for the tax year ending December 31, 2017 (Form CIVPEN). If you don't call us immediately to make payment arrangements or we don't receive the amount due within 30 days from the date of this notice, we may levy your property or rights to property and apply it to the \$5,024.03 you owe.

Billing Summary

Amount you owed	\$5,000.00
Interest charges	24.03
Amount due immediately	\$5,024.03

Continued on back...



CRAIG J SCHIEDER
705 MOORE AVE
TONAWANDA NY 14223-1845

Notice	CP504
Notice date	August 5, 2019
Taxpayer ID number	097-68-1630



Payment

- Make your check or money order payable to the Internal Revenue Service
- Write your taxpayer identification number and the form number (CIVPEN) on your check

Amount due immediately

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0149



EXHIBIT
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097681630 DQ SCHI 55 0 201712 670 00000502403

Craig J. Schieder
705 Moore Ave
Buffalo NY 14223

October 25, 2019

Dept of the Treasury
Internal Revenue Service
1973 N Rulon White Blvd
M/S 4450
Ogden, UT 84404

Re: Notice of Proposed Changes to Year 2017 1040 Tax Return

I am writing this letter in response to both your letter dated 10/3/2019 which stated your proposed changes to my 2017 1040 Tax return, subsequent to your audit of information (a copy of the letter I received from you is enclosed with this response), as well as to request your help in correcting the record as your proposed change of return is based on "Bad Payer Data" from improperly filed information returns which I will outline for you below. Also, I had requested a hearing in regards to the improperly imposed "frivolous" assertion penalty made by your office, however, correct me if I am wrong, but I am assuming that the letter you sent is a result of that contest.

In response to your proposed change in the 2017 return, I **DO NOT AGREE** that I owe the outstanding liability as stated in the above referenced correspondence because errors were entered concerning my "taxable" income for the period in question. I wish to correct any misconceptions you may hold in regards to the inaccurate information returns that you received in regards to my personal compensation for the tax year 2017. I rebutted their claims that I was an "Employee" making "Wages", as I was a non-federal worker, working for non-federal entities with no federally associated relationships. None of the compensation I received during the tax year in question falls under the classification of "Taxable income" and as I stated in my 2017 return, I am entitled to a full refund in accordance with federal tax law of all withheld funds during that period.

The form W2 information return filed by Colton Auto Inc. is in error and represents "**Bad Payer Data**" per **IRM 4.2.2.4 [10-01-03] #4E "Nontaxable income reported as taxable..."** The payments made to me by this "Payer" does not constitute "Wages" as the term is clearly defined in the IRC Title 26 §3401(a) and 3121(a). In 2017 I was a private sector worker and not an "Employee", as defined in IRC § 3401(c), as I am not a government official nor have any relationship with any public office or benefit from any type of federal privilege whatsoever. The private sector entities that I worked for erroneously characterized payments as "wages" and filed the incorrect W2 information return which I rebutted as "Bad Payer Data" pursuant to Part 4 of the IRM: See Form 4852 filed with my 2017 1040. None of these payments are connected with the performance of the functions of a public office or otherwise constitute gains, profit, or income within the meaning of relevant law.

The remainder of the erroneous 1099-MISC information returns filed below for 2017 including:

1. 1099-MISC from Tiffin Motorhomes Inc
2. 1099-MISC from Grand Design RV LLC
3. 1099-MISC from Thor Motorcoach Inc.
4. 1099-MISC from Forest River Inc.

are in error and also represent "**Bad Payer Data**" per **IRM 4.2.2.4 [10-01 reported as taxable..."** From the instructions for FORM 1099-Misc, unde Instructions: "**Trade or business reporting only.** Report on FORM 1099 made in the course of your trade or business. **Personal payments are n added)** And, from IRC Sec 7701, Definitions (a)(26): "**The term "trade or performance of the functions of a public office."**

EXHIBIT
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As I did not engage in a "trade or business" as defined in Title 26. None of these payments are connected with the performance of the functions of a public office or otherwise constitute gains, profit, or income within the meaning of relevant law. Nor did I engage in any other federally privileged activity while providing my services in my private capacity to these private companies, no "taxable" event occurred; therefore, no tax liability was incurred. In case the file is deficient, I am enclosing copies of the Form 4852 and documents correcting the erroneous 1099-MISC forms that were submitted with my original 1040 filing which specifically rebut any presumption that the personal payments that were paid to me by these companies were "taxable". The record should be corrected as soon as possible to reflect the information that I originally submitted on my 1040 form. I do not consent to any changes.

If the IRS has firsthand knowledge of any amounts reported other than what I have claimed and sworn to under penalty of perjury on my 2017 Form 1040, I will require Section 6201(d) verification to support your position.

Prior to any formal or informal due process hearing, I expect and require meaningful clarification as to the nature of, and reason for, any alleged assessment, the process by which any and all relevant determinations reflected in and by your office were arrived at, and anything else pertinent to the matter.

In light of the information that I have provided, I would greatly appreciate that you correct the record without further delay or forward the matter to the person who has the properly delegated authority to make the necessary corrections.

The amounts reported on my 2017 tax return submitted by me are all true and correct. It is my sincere hope and intent that my return contributes to and is met with the smooth, speedy and proper administration of the federal tax laws. I am also requesting that your improper assertion of a "Frivolous" return is redacted and the \$5000 improper and illegally imposed penalty is credited back to me as nothing about my return constitutes as "Frivolous."

In addition, the IRS has NO lawful authority to change my return. In accordance with 26 CFR § 301.6203-1, Method of Assessment, "The amount of the assessment shall, in the case of tax shown on a return by the taxpayer, be the amount so shown." If the taxable amount is zero, then the self-assessed tax amount will be zero.

You state toward the end of the first page that "If you wish to contest the *assertion* of the penalty..." That is an interesting word to use here: The American Heritage Dictionary of the English Language defines "assertion" as: "A positive statement without support of proof." So, what are you doing is making a statement that I have been charged a penalty described in a certain section of law, which is quoted, that you state I have violated without providing conclusive proof of same.

Since you are the ones making the assertion that a "Penalty Assessment" in the amount of \$5,000.00 has been assessed, let's see it.

Please provide me a copy of the record of assessment for 2017 as is allowed by the provisions of 26 USC 6203:

"...Upon request of the taxpayer, the Secretary **shall furnish** the taxpayer a copy of the record of the assessment..." (Boldface, underlining added)

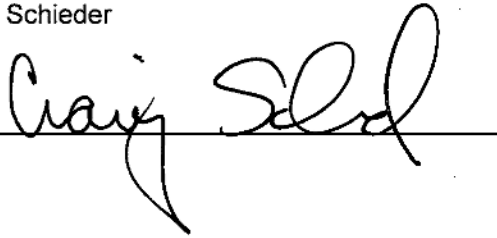
within 30 days from the date of your receipt of this letter as confirmed by postal return receipt through the United States Postal Service.

An aggregate record will not satisfy this request. Adequate compliance with this request requires documentation sufficient to clearly establish my personal liability. I demand an actual photocopy, with the signature of the assessment officer included. The reason for this request is both to establish the existence of the assessment, and of determine for myself the assessment's compliance with all related provisions of the law.

I, Craig J. Schieder, residing in the County of Erie, declare under penalty of perjury, that I have closely examined the law and the statements contained in this letter are true and correct to the best of my knowledge and beliefs.

Respectfully,

Craig J. Schieder

x 

October 25, 2019

USPS Tracking®

[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70191640000171745058

[Remove X](#)

Your item was delivered at 12:25 pm on November 1, 2019 in OGDEN, UT 84201.

Delivered

November 1, 2019 at 12:25 pm
Delivered
OGDEN, UT 84201

Feedback

Tracking History

November 1, 2019, 12:25 pm
Delivered
OGDEN, UT 84201
Your item was delivered at 12:25 pm on November 1, 2019 in OGDEN, UT 84201.

October 31, 2019, 3:46 pm
Arrived at Unit
SALT LAKE CITY, UT 84199

October 31, 2019, 3:45 pm
Departed USPS Regional Destination Facility
SALT LAKE CITY UT NETWORK DISTRIBUTION CENTER

October 31, 2019, 12:53 am
Arrived at USPS Regional Destination Facility
SALT LAKE CITY UT NETWORK DISTRIBUTION CENTER

EXHIBIT
G 1

✓ **October 30, 2019**
In Transit to Next Facility

October 28, 2019, 11:27 pm
Departed USPS Regional Origin Facility
BUFFALO NY DISTRIBUTION CENTER

October 28, 2019, 9:44 pm
Arrived at USPS Regional Origin Facility
BUFFALO NY DISTRIBUTION CENTER

October 28, 2019, 10:33 am
USPS in possession of item
NORTH TONAWANDA, NY 14120

Product Information



Feedback

Postal Product:
First-Class Mail®

Features:
Certified Mail™

See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs



Department of the Treasury
Internal Revenue Service
Ogden, Utah 84201

Letter 3219(SC/CG)
Letter Date: 11/27/2019
Taxpayer Identification Number:

7018 3090 0001 1222 0572

Person to Contact:
Denise D. Davis 1000099999
Contact Telephone Number:
(866) 883-0235
(A Toll Free Number)
Hours to Call: M-F 7AM - 3PM MST

CRAIG J SCHIEDER
705 MOORE AVE
TONAWANDA, NY 14223-1845

Last Day to File a Petition with
the U.S. Tax Court: 02/25/2020
(If Outside of U.S.: 04/25/2020)

CERTIFIED MAIL

Tax Year Ended	Dec 31, 2017
Deficiency:	
Increase in tax	\$30,963.00
Penalties	
IRC 6662(a)	\$6,192.60
IRC 6651(a)(2) *	\$1,299.80
IRC 6651	\$2,924.55

Dear Taxpayer:

We have determined that there is a deficiency (increase) in your income tax as shown above. This letter is your NOTICE OF DEFICIENCY, as required by law. The enclosed statement shows how we figured the deficiency.

If you want to contest this determination in court before making any payment, you have until the Last Date to Petition Tax Court (90 days from the date of this letter or 150 days if the letter is addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the amount of your tax. You can get a petition form and the rules for filing a petition from the Tax Court. You should file the petition with the United States Tax Court, 400 Second Street NW, Washington, D.C. 20217. Attach a copy of this letter to the petition.

The time in which you must file a petition with the court (90 or 150 days as the case may be) is fixed by law and the Court cannot consider a petition if the petition is filed late. As required by law, separate no spouses. If this letter is addressed to both a husband and wife, both must petition the Tax Court, both must sign the petition on separate, signed petition.

The Tax Court has a simplified procedure for small tax cases. If the tax dispute is \$50,000 or less for any one tax year. You can get more information about this procedure, as well as a petition form you can get from the Clerk of the United States Tax Court at 400 Second Street NW, Washington, D.C. 20217. You should write promptly if you intend to file a petition with the Court.

If you decide not to file a petition with the Tax Court,

EXHIBIT
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the enclosed waiver form to us. This will permit us to assess the deficiency quickly and will limit the accumulation of interest. We've enclosed an envelope you can use. If you decide not to sign and return the waiver, and you do not petition the Tax Court, the law requires us to assess and bill you for the deficiency after 90 days from the date of this letter (150 days if this letter is addressed to you outside of the United States)

If you have questions about this letter, you may call the Contact Person whose name and telephone number are shown in the heading of this letter. If this number is outside your local calling area, there will be a long distance charge to you. If you prefer, you can call the Internal Revenue Service (IRS) telephone number in your local directory. An IRS employee there may be able to help you, but the office at the address shown on this letter is most familiar with your case.

When you send information we requested or if you write to us about this letter, please provide a telephone number and the best time for us to call you if we need more information. Please attach this letter to your correspondence to help us identify your case. Keep the copy for your records.

The person whose name and telephone number are shown in the heading of this letter can access your tax information and help get you answers. You also have the right to contact the Taxpayer Advocate. You can call 1-800-829-1040 and ask for Taxpayer Advocate Assistance. Or you can contact the Taxpayer Advocate for the IRS Office that issued this Notice of Deficiency by calling 801-620-7168, or writing to, PO BOX 9941, STOP 1005, OGDEN UT 84409.

Taxpayer Advocate assistance is not a substitute for established IRS procedures such as the formal appeals process. The Taxpayer Advocate is not able to reverse legally correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling.

Thank you for your cooperation.

Sincerely yours,

Commissioner

By



Denise D. Davis
Executive Officer
Return Integrity and Compliance Services
Integrity and Verification Operation

Enclosures:

Copy of this letter

Waiver

Envelope

CRAIG J SCHIEDER
 705 MOORE AVE
 TONAWANDA, NY 14223-1845



Kind of Tax Copy to Authorized Representative
 INCOME

DEFICIENCY
 Increase in Tax and Penalties

Tax Year Ended	Dec 31, 2017
Deficiency:	
Increase in tax	\$30,963.00
Penalties	
IRC 6662(a)	\$6,192.60
IRC 6651(a)(2) *	\$1,299.80
IRC 6651	\$2,924.55

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest. Also, I waive the requirement under section 6532 (a) (1) of the Internal Revenue Code that a notice of claim disallowance be sent to me by certified mail for any overpayment shown on the attached report.

I understand that the filing of this waiver is irrevocable and it will begin the 2-year period for filing suit for refund of the claims disallowed as if the notice of disallowance had been sent by certified or registered mail.

Signature	Date
Signature	Date
By Signature	Title Date

(For instructions, see next page)

If you agree, please sign and return this form; keep a copy for your records.

Instructions for Form 5564

Note:

If you consent to the assessment of the deficiencies shown in this waiver, please sign and return this form to limit the interest charge and expedite our bill to you. Please do not sign and return any prior notices you may have received. Your consent signature is required on this waiver, even if fully paid.

Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are so entitled; nor prevent us from later determining, if necessary, that you owe additional tax; nor extend the time provided by law for either action.

If you later file a claim and the Service disallows it, you may file suit for refund in a District Court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

Who must Sign:

If you filed jointly, both you and your spouse must sign. Your attorney or agent may sign this waiver provided that action is specifically authorized by a power of attorney which, if not previously filed, must accompany this form.

If this waiver is signed by a person acting in a fiduciary capacity (for example, an executor, administrator, or a trustee), Form 56, Notice Concerning Fiduciary Relationship, should, unless previously filed, accompany this form.

Optional Paragraphs:

A check in the block to the left of a paragraph below indicates that the paragraph applies to your situation.

- The amount shown as the deficiency may not be billed, since all or part of the refund due has been held to offset all or a portion of the amount of the deficiency. The amount that will be billed, if any, is shown on the attached examination report.
- The amount shown as a deficiency may not be billed, since the refund due will be reduced by the amount of the deficiency. The net refund due is shown on the attached examination report.

CRAIG J SCHIEDER
 705 MOORE AVE
 TONAWANDA, NY 14223-1845

Kind of Tax	[] Copy to Authorized Representative
INCOME	

DEFICIENCY
 Increase in Tax and Penalties

Tax Year Ended	Dec 31, 2017
Deficiency:	
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