

**NLWJC - Kagan**

**Counsel - Box 025 - Folder 012**

**Peace Tax**

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	DOB (Partial) (1 page)	11/19/1996	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
Counsel's Office  
Elena Kagan  
OA/Box Number: 8289

### FOLDER TITLE:

Peace Tax

2009-1006-F

bm13

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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National Campaign for a Peace Tax Fund  
2121 Decatur Place, N.W.  
Washington, DC 20008  
Tel: 202-483-3751  
Fax: 202-986-0667

TO: Ms. Elena Kagan  
FAX: 456-1647  
FROM: Marian Franz  
DATE: November 19, 1996  
Pages Including this one [1]  
Message:

Dear Ms. Kagan,

Here is the list of people who will be coming to our meeting tomorrow, with their birthdates. I'm sorry it has taken me a few days to get you this information; I hope it is not an inconvenience. I look forward to meeting with you tomorrow.

Sincerely,

Marian Franz

Marian C. Franz, National Campaign for a Peace Tax Fund:

[redacted] P6/(b)(6)

*Please wave in*

Robert (Bob) Alpern, Unitarian Universalist Association:

[redacted] P6/(b)(6)

Daryl Byler, Mennonite Central Committee:

[redacted] P6/(b)(6)

Barbara Green, Presbyterian Church (USA):

[redacted] P6/(b)(6)

John Harvey, Church of the Brethren:

[redacted] P6/(b)(6)

Steven McFarland, Christian Legal Society:

[redacted] P6/(b)(6)

Forest Montgomery, National Association of Evangelicals:

[redacted] P6/(b)(6)

Karl Shelly, Mennonite Central Committee:

[redacted] P6/(b)(6)

Edward (Ned) Stowe, Friends' Committee on National Legislation:

[redacted] P6/(b)(6)

Brent Walker, Baptist Joint Committee:

[redacted] P6/(b)(6)

*2:00*

*Wednesday completed*

# Peace Tax Meeting

PT Fund - w/10/Head Start -  
doesn't affect \$5 ↩  
This is compromise

10-20,000 people affected  
less out games.

P. who now live below the tax  
line - wouldn't have to.

Acting judges necessary -  
not for defense.

Hatfield - introduced.  
Harkin  
perhaps Hatch

Religious/moral/ethical - same as CO.

willful failure to pay taxes  
time after for liability

Interest  
penalties - maybe 50%/100%

\$500 penalty for using business objects -  
if said in a note saying there's a  
rel. object -

Member of Ch.  
Church of the  
Brethren  
Quakers  
Associated others

6 denoms in NATF -  
much membership having  
two labels

Church will not w/hold taxes -  
appt the law

No ext action appt the churches so far.

~~almost~~  
PARRA coalition - all sympathetic -

Shopper's slope?

- few other issues - p. making to do this.
- c.o. - historic objective.

Treasury - testified apt in 92

but even administratively

(why? - lots of funds -  
IR (managers))

- another objective -

but a joke -

make - we can't

Earmarked taxes -  
Constitutional

Do it administratively?

Anyway to do -

consistent w/ tax code?

appropriate?

Pres support

↓  
Justice  
Ask Treasury -  
what impediments  
in code to keep  
this from happening?

Bill now -  
for Finance Committee -  
Tax bill.

- Renew by any yr.

If the Peace Tax Fund were enacted, it would not be the first time that Congress has moved to accommodate a religious objection to the operation of the tax system... Certain minority religious adherents, notably the Amish have been able to opt out of social security ... The Peace Tax Fund provision is just as practical, and far less constitutionally problematic, than those existing and unchallenged provisions. First, it reaches a far broader and less sectarian spectrum of religious objections. Second, it creates a mechanism under which the full amount of the funds are available for appropriated purposes, not for an exemption from paying the level of tax otherwise due.

[The proponents] are not "tax protestors," although the IRS mistakenly labels them a such. Unlike the so-called "tax protesters," these individuals and groups generally do not have political or economic objections to the concept of federal taxation; their concerns are religious in origin and focus upon their deep feeling of personal responsibility or the uses to which their taxes are put.

—Peter Goldberger,  
*Attorney for Conscientious Objectors*

... I assure you very explicitly that in my opinion the Conscientious scruples of all men should be treated with great delicacy and tenderness, and it is my wish and desire that the Laws may always be as extensively accommodated to them, as a due regard to the Protection and essential Interests of the Nation may Justify, and permit.

—President George Washington in 1790 letter to Religious Society of Friends

Under mandatory accommodation, legislatures must exempt some religious believers from generally applicable rules. Under permissible accommodation, in contrast, legislatures may

exempt religious believers if they so choose ... the Peace Tax fund must be considered on its merits as a permissible accommodation. ... the Bill would clearly be constitutional if enacted.

—Mark Tushnet, *Professor of Law,*  
*Georgetown University*

The [Peace Tax Fund] Bill ... provides no benefits or advantages to religion over nonreligion. The objecting taxpayers are not relieved of their tax burden, and the law thus provides no inducement to adopt or feign the religious belief. ... Rather, the Bill seeks to reduce the "inhibiting effect" of current law on the practice of religion. ... Like the Continental Congress resolutions, the Bill seeks to avoid violence to the consciences of the objectors, and at the same time to find a way in which they can fulfil their obligations to their fellow citizens through payments for nonmilitary measures. ... In light of this country's multi-billion dollar commitment to national defense, it would be nothing short of bizarre to conclude that this modest act of toleration is an endorsement of religious pacifism. Certainly, this is no more an "endorsement" than the draft exemption, which the Court has repeatedly upheld. ... The Bill envisions no communication or connection between the institutions of church and state. The only conceivable "entanglement" is that entailed by determination of the sincerity and eligibility of objecting taxpayers.

—Michael W. McConnell,  
*Professor of Law*  
*University of Chicago Law School*

National Campaign  
for a Peace Tax Fund  
2121 Decatur Place NW  
Washington, DC 20010  
(202) 483-3751  
<peacetaxfund@igc.apc.org>

## Church-State Concepts Embodied in the Peace Tax Fund Bill

NATIONAL CAMPAIGN  
FOR A PEACE TAX FUND



The National Campaign for a Peace Tax Fund is organized solely to pass legislation which would provide a way for persons to participate in the tax system without violating their conscientiously held beliefs. ... Our central affirmation is that each individual has the right not to be coerced into participation in killing other human beings—whether that participation is physical or financial. Ultimately this right is based in the freedom to exercise religion according to the dictates of conscience.

—*Testimony of the National Campaign for a Peace Tax Fund, Marian Franz, Executive Director*

Recognizing that for a significant minority of U.S. citizens, sincere conscientious objection to participation in war in any form means that they cannot, in conscience, pay the portion of their taxes that would support military expenditures, the Bill has as its purposes ...to improve revenue collections and to allow conscientious objectors to pay their full tax liability without violating their moral, ethical, or religious beliefs; ...”

—*The U.S. Peace Tax Fund Bill*

“Catholic Social Teaching on Conscience and Religious Freedom: Conscience plays a major role in the Church’s understanding of religious freedom. If not allowed to follow one’s conscience, there can be no religious freedom.

—*Testimony of Bishop Thomas J. Gumbleton*

Under all normal circumstances, therefore, Christians obey the civil law, seeing in it the will of God. Yet it must be recognized that laws exist which deny these eternal and immutable laws. In such circumstances, the Church and its members, faithful to scrip-

ture, reserve the right to obey God rather than man... The Church recognizes the right of all persons, for reasons of an informed conscience, to disobey such laws.

—*Rt. Rev. William Davidson, Episcopal Church*

The peace churches feel the pain of having our institutions serve as collectors of taxes for war and war-making purposes. Faced with the conflict between religious duty and civil law each of our traditions has tried to no avail to honor the conscience of employees who do not want their tax money used for military purposes. We appeal to an end to what we consider to be the oppressive entanglement of the government in the practice of our faith.

—*The Historic Peace Churches (Mennonites, Quakers, Church of the Brethren)*

The employer, which may be a church, for example, is then faced with the dilemma of acting as a collection agent in the Government’s effort to defeat what the sympathetic employer knows to be the employee’s witness to his or her fundamental religious beliefs.

—*Peter Goldberger, Attorney*

Both morals and sound policy require that the state should not violate the conscience of the individual. All our history gives confirmation to the view that liberty of conscience has a moral and social value which makes it worthy of preservation at the hands of the state.

—*Chief Justice Harlan Fiske Stone*

The right of conscientious objection should not be under scrutiny ... That issue already has been decided. ... The Supreme Court has reaffirmed the right of the individual to be exempt from participation in war if his or her beliefs would be violated by that participation. ... Most conscientious objectors believe that

supporting military service through taxation is no different than fighting in war. Each are unacceptable, morally. ... After all, it is the freedom of conscience and the free exercise of one’s religious beliefs which form the cornerstones of our democratic society.

—*Senator Mark Hatfield, Oregon*

By exercising my conscience I risk prosecution and perhaps prison. Surely there must be some alternative for those persons of faith and conscience who are attempting to be faithful stewards of their resources. The Episcopal Church in its General Convention proceedings of 1988 went on record to say that conscientious objection is a faithful response and should have the respect, the support, and the ministry of the Church. If my religious denomination believes my response is faithful, why then does my government not allow me to make this witness without living with the daily fear and anxiety that accompanies this faith witness?

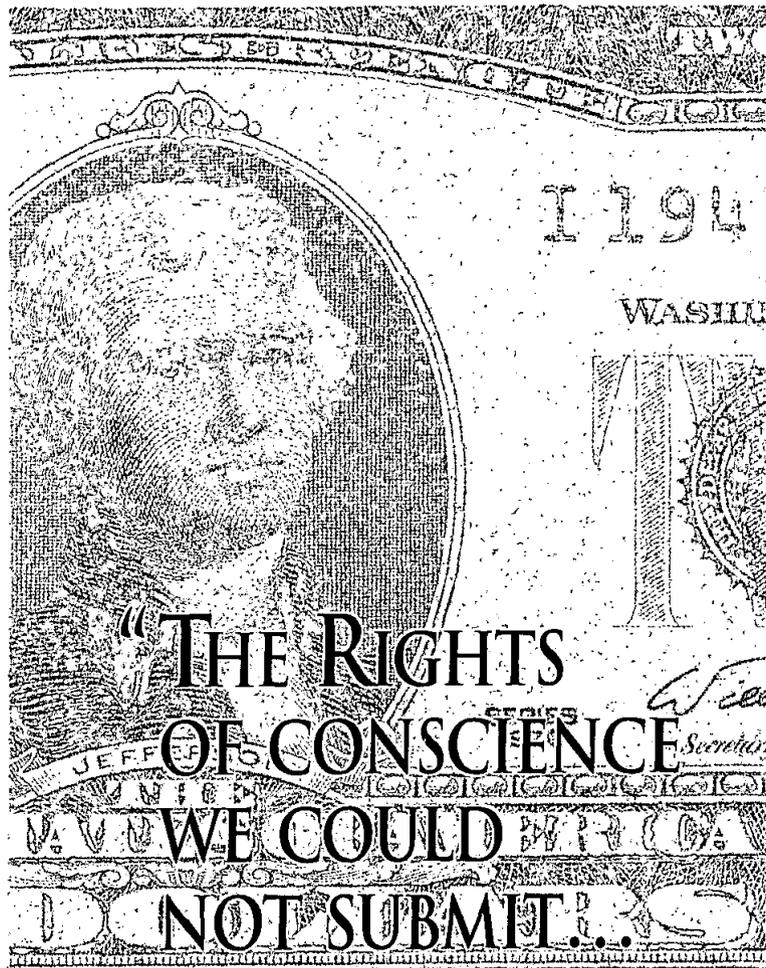
—*Patricia Washburn, Educator*

Conscience is not incidental or expendable. ... Spiritual values are real. They are not to be treated as incidental or expendable to fit the needs of the state. This is what the First Amendment is all about. That is our heritage as a nation—a nation that was settled by colonists who came here seeking religious freedom. ... We who are conscientious objectors cannot ignore the conscience within us, short of renouncing the God we believe in.

—*Alan Eccleston, Religious Society of Friends*

Peace Tax Brochure

CLINTON LIBRARY PHOTOCOPY



“THE RIGHTS  
OF CONSCIENCE  
WE COULD  
NOT SUBMIT...”

THOMAS JEFFERSON

FOR THE SAKE OF CONSCIENCE...

THE PEACE TAX FUND BILL

## FREEDOM OF CONSCIENCE

**F**reedom of conscience was at the very core of the founding of this nation. Starting in 1662, most American colonial governments made provisions for those who objected to military service on the basis of conscience. The first Continental Congress resolved in 1775 that it would also recognize the rights of those

who could not bear arms because of religious scruples.

However, many immigrants who came to the United States to seek religious freedom and escape forced military service found instead that conscientious objectors to war were persecuted and imprisoned. During World War I, there was little allowance in the law for conscientious objectors. Four hundred objectors were

imprisoned. Several died in prison as a result of mistreatment.

Since 1940, when legislation was passed establishing alternative service for drafted conscientious objectors, there has been some protection for the rights of conscience.

**"IT MAY WELL BE QUESTIONED WHETHER THE STATE WHICH PRESERVES ITS LIFE BY A SETTLED POLICY OF VIOLATION OF THE CONSCIENCE OF THE INDIVIDUAL WILL NOT IN FACT ULTIMATELY LOSE IT BY THE PROCESS."**

*Harlan Fisk Stone  
Supreme Court Justice*

*A conscientious objector builds homes for refugees.*



## THE STRUGGLE CONTINUES

**A**lthough conscientious objectors to war have not been forced to serve in active combat for more than 50 years, they are still required to support the military through taxation.

**TO WAGE WAR RELIES LESS ON CONSCRIPTED SOLDIERS AND MORE ON DRAFTED DOLLARS.**

Increasingly, the ability of a government to wage war relies less on conscripted soldiers and more on drafted dollars to pay for advanced

technology. These advanced weapons wreak incredible destruction and death when used. These same weapons also kill when not used by denying resources to those most in need. This is a double violence.

Today citizens who are conscientious objectors risk fines and jail sentences to withhold taxes that support war. Some impoverish themselves and their families rather than be legally bound to pay such taxes and thus violate their deeply held beliefs. These are people deeply driven by values born of conscience.

### YOUR TAX DOLLAR AT WORK.

**Current Military: 25.3%**  
**(\$285.4 billion)**

*Peace Tax Fund Bill affects this portion.*

**Past Military: 19.3%**  
**(\$222.4 billion)**

**All Other: 55.4%**  
**(\$630.8 billion)**



*Fiscal Year 1995 (estimated outlays) excluding trust funds. Additional information available upon request.*

*SOURCE: Friends Committee on National Legislation.*

***Is there a way to permit sincere conscientious objectors to pay their full tax obligation without violating deeply held religious or ethical beliefs?***

The U.S. Peace Tax Fund Bill is a proposal designed to make such accommodation and to insure that legal penalties are not imposed because of those beliefs.

***How the Peace Tax Fund Bill would work:***

The Peace Tax Fund Bill would amend the Internal Revenue Code to permit taxpayers conscientiously opposed to participating in war to have their income, estate or gift tax payments spent for non-military purposes only. The Bill excuses no taxpayers from paying their full tax liability.

***Where the Peace Tax Fund money would go:***

The percentage of an individual's taxes equaling the current military portion of the federal budget would go into a special trust fund, called the Peace Tax Fund. Money in this fund would be allocated to governmental programs such as: the Special Supplemental Food Program for Women, Infants and Children (WIC), Head Start, the U.S. Institute of Peace and the Peace Corps.

The Peace Tax Fund Bill was introduced in Congress in 1972. Support in Congress has grown since its inception.

*Lead Congressional cosponsors confer with Campaign director Marian Franz after a successful Congressional hearing.*



**T**he National Campaign for a Peace Tax Fund is a non-profit advocacy organization based in Washington, DC. The Campaign works solely to pass legislation which would provide a way for citizens to participate in the tax system without violating beliefs about conscience and war.

A dramatic increase of support for the concept of a Peace Tax Fund has been realized in recent years. Over 150 national and regional organizations have formally endorsed the legislation. Included in this diverse coalition are the historic peace churches; mainline Protestant denominations; Catholic, Jewish, and Unitarian organizations; Peace groups and Civil Liberties organizations.

The National Campaign for a Peace Tax Fund represents a growing constituency of over 4,000 active members in all 50 states. Components of the Campaign include professional lobbyists, activists networks, and newsletter publications.

Over 50 members of Congress have taken a public stand in support of the Peace Tax Fund Bill. Peace Tax campaigns similar to the one in the United States are gaining strength in a dozen other countries around the world.

## THE FOUNDATION

**A**longside the Campaign is a tax-exempt educational organization, The Peace Tax Foundation.

The Peace Tax Foundation is organized to inform the public about the concept of alternative tax payment programs that are based upon moral, ethical, and religious opposition to participation in warfare. In pursuit of this goal, the Foundation does research, produces publications, and conducts workshops and conferences.

The Peace Tax Foundation also serves as a liaison to the international Peace Tax movement.

## CONSIDER...

**T**he Peace Tax Fund Bill is a matter of conscience. While it will not immediately impact the level of military spending, passage of the Bill would have these distinct advantages:

- The Peace Tax Fund Bill will restore freedom of religion as protected in the First Amendment to those taxpayers whose religious or moral convictions forbid participation in war, whether that participation is physical or financial. This "first of the freedoms" is the cornerstone of a democratic society.
- Each publication of instructions accompanying income tax forms for 160 million taxpayers would include information about the availability of conscientious objector status. This would be a tremendous educational opportunity. Just as provisions for conscientious objection cause those in the military to weigh their conscience, so too would the Peace Tax Fund.
- The Peace Tax Fund Bill would be a meaningful step towards raising the national consciousness about misplaced military priorities. The level of usage of the Peace Tax Fund would be reported by Congress each year, and would serve as a measure of the nation's conscience regarding the inhumanity of war.
- It will be a watershed event for religious and civil liberties when a major military power acknowledges that its citizens who object to military taxes have a just claim to freedom of conscience which has been denied. In addition, it will greatly facilitate the passage of similar legislation in other countries.
- The Peace Tax Fund Bill is a win - win proposition. Conscientious objectors would be guaranteed the current military percentage of their income tax will be used only for life-affirming purposes. The government would receive more revenue from increased participation and spend less on the cost of forced collections.
- Conscientious objection to killing in war holds a historically and legally unique place in our nation. It is like no other issue. The plight of those who object to military taxes on the basis of deeply held and universally recognized teachings is on a higher moral plane than objections based on mere political, social or economic

## JOIN THE CAMPAIGN

**N**O WITNESS FOR CONSCIENCE  
**IS EVER LOST.**  
**JOIN THE NATIONAL CAMPAIGN  
FOR A PEACE TAX FUND.**

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

ZIP \_\_\_\_\_

PHONE \_\_\_\_\_

E-MAIL \_\_\_\_\_

CONGRESSIONAL DISTRICT \_\_\_\_\_

### MEMBERSHIP LEVELS:

\$100 for a sustaining membership

\$35 for a contributing membership

\$25 for a basic membership

\$\_\_\_\_ for a limited-income membership

### MAKE CHECKS PAYABLE TO:

*National Campaign for a Peace Tax Fund* or  
*Peace Tax Foundation*

2121 Decatur Place NW  
Washington, DC 20008-1923

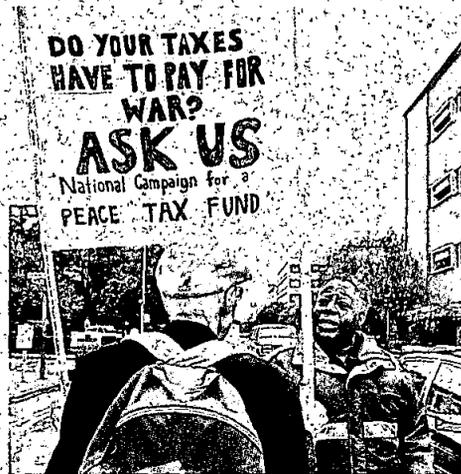
### VOLUNTEER OPPORTUNITIES:

- Send me information about becoming a Congressional District Contact.
- Send me information about writing my member of Congress.
- Send me information about making a will/bequest.
- Send me a list of endorsing organizations.

## MISSION STATEMENT

**T**he National Campaign for a Peace Tax Fund advocates for legislation enabling conscientious objectors to war to have the military portion of their federal income taxes directed to a special fund for projects that enhance peace.

**T**he Peace Tax Foundation educates the public about alternative tax payment programs that are based on moral, religious, and ethical opposition to participation in war.



NATIONAL CAMPAIGN FOR A PEACE TAX FUND  
PEACE TAX FOUNDATION

*2121 Decatur Place NW  
Washington, DC 20008-1923*

**Phone:** (202) 483-3751

**Toll Free:** (888) PEACETAX

**Fax:** (202) 986-0667

**Email:** [peacetaxfund@igc.apc.org](mailto:peacetaxfund@igc.apc.org)

**Web:** <http://www.nonviolence.org/~nwweb/peacetax/>

**Local Contact:**

104TH CONGRESS  
2D SESSION

# S. 1663

To amend the Internal Revenue Code of 1986 to improve revenue collection and to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes, to create the United States Peace Tax Fund to receive such tax payments, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

MARCH 29, 1996

Mr. HATFIELD (for himself and Mr. HARKIN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to improve revenue collection and to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes, to create the United States Peace Tax Fund to receive such tax payments, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the "United States Peace  
5       Tax Fund Act".

1 **SEC. 2. FINDINGS AND POLICY.**

2 (a) FINDINGS.—The Congress finds that for a signifi-  
3 cant minority of Americans sincere conscientious objection  
4 to participation in war in any form means that such Amer-  
5 icans cannot in conscience pay the portion of their taxes  
6 that would support military expenditures.

7 (b) POLICY.—It is the policy of the Congress—

8 (1) to improve revenue collections and to allow  
9 conscientious objectors to pay their full tax liability  
10 without violating their moral, ethical, or religious be-  
11 liefs;

12 (2) to reduce the present administrative and ju-  
13 dicial burden created by conscientious objectors who  
14 violate tax laws rather than violate their consciences;

15 (3) to recognize conscientious objector status  
16 with regard to the payment of taxes for military pur-  
17 poses; and

18 (4) to provide a mechanism for congressional  
19 appropriations of such funds for nonmilitary pur-  
20 poses.

21 **SEC. 3. UNITED STATES PEACE TAX FUND.**

22 (a) CREATION OF TRUST FUND.—There is hereby es-  
23 tablished within the Treasury of the United States a spe-  
24 cial trust fund to be known as the “United States Peace  
25 Tax Fund” (hereinafter referred to as the “Fund”). The

1 Fund shall consist of such amounts as may be transferred  
2 to the Fund as provided in this section.

3 (b) TRANSFER TO FUND OF AMOUNTS EQUIVALENT  
4 TO CERTAIN TAXES.—

5 (1) IN GENERAL.—There are hereby transferred  
6 to the Fund amounts equivalent to the sum of the  
7 amounts designated during the fiscal year by indi-  
8 viduals under sections 2210, 2506, and 6099 of the  
9 Internal Revenue Code of 1986 for payment into the  
10 Fund. Such amounts shall be deposited into the  
11 Fund and shall be available only for the purposes  
12 provided in this Act.

13 (2) METHOD OF TRANSFER.—The amounts  
14 transferred by paragraph (1) shall be transferred at  
15 least monthly from the general fund of the Treasury  
16 to the Fund on the basis of estimates by the Sec-  
17 retary of the Treasury of the amounts, referred to  
18 in paragraph (1), received in the Treasury. Proper  
19 adjustments shall be made in the amounts subse-  
20 quently transferred to the extent that prior esti-  
21 mates were in excess of or less than the amounts re-  
22 quired to be transferred.

23 (3) REPORT.—The Secretary of the Treasury  
24 shall report to the Committees on Appropriations of  
25 the House of Representatives and the Senate each

1 year on the total amount transferred into the Fund  
 2 during the preceding fiscal year. Such report shall  
 3 be printed in the Congressional Record upon receipt  
 4 by the committees.

5 **SEC. 4. INCOME TAX PAYMENTS TO UNITED STATES PEACE**  
 6 **TAX FUND.**

7 (a) **IN GENERAL.**—Subchapter A of chapter 61 of the  
 8 Internal Revenue Code of 1986 (relating to information  
 9 and returns) is amended by adding at the end the follow-  
 10 ing new part:

11 **“PART IX—DESIGNATION OF INCOME TAX PAY-**  
 12 **MENTS FOR TRANSFER TO UNITED STATES**  
 13 **PEACE TAX FUND**

“Sec. 6099. Designation by individuals.

14 **“SEC. 6099. DESIGNATION BY INDIVIDUALS.**

15 “(a) **IN GENERAL.**—Every eligible individual (other  
 16 than a nonresident alien) whose income tax liability for  
 17 any taxable year is \$1 or more may designate that such  
 18 individual’s income tax payment for such year shall be  
 19 paid into the United States Peace Tax Fund established  
 20 by section 3 of the United States Peace Tax Fund Act.

21 “(b) **DEFINITIONS.**—For purposes of this section—

22 “(1) **ELIGIBLE INDIVIDUAL.**—

23 “(A) **IN GENERAL.**—The term ‘eligible in-  
 24 dividual’ means an individual who by reason of

1 religious training and belief is conscientiously  
2 opposed to participation in war in any form,  
3 and who—

4 “(i) has been exempted or discharged  
5 from combatant training and service in the  
6 Armed Forces of the United States as a  
7 conscientious objector under section 6(j) of  
8 the Military Selective Service Act (50  
9 U.S.C. App. 456(j)), or corresponding law,  
10 or

11 “(ii) certified in a statement in a  
12 questionnaire return made under section  
13 6039F that such individual is conscien-  
14 tiously opposed to participation in war in  
15 any form within the meaning of section  
16 6(j) of such Act.

17 “(B) VERIFICATION.—

18 “(i) QUESTIONNAIRE RETURN RE-  
19 CEIPT.—Any taxpayer who makes a des-  
20 ignation under subsection (a) shall attach  
21 the questionnaire return receipt provided  
22 under section 6039F(b) to such taxpayer’s  
23 return of tax.

24 “(ii) ADDITIONAL INFORMATION MAY  
25 BE REQUIRED.—The Secretary may re-

1           quire any taxpayer who makes a designa-  
2           tion under subsection (a) to provide such  
3           additional information as may be necessary  
4           to verify such taxpayer's status as an eligi-  
5           ble individual.

6           “(C) DENIAL OF DESIGNATION.—If the  
7           Secretary determines that a taxpayer who  
8           makes the designation provided for by sub-  
9           section (a) is not an eligible individual and is  
10          not entitled to make such designation, then the  
11          Secretary, upon written notice to the taxpayer  
12          stating the reasons for denial, may deny the  
13          designation. The taxpayer may challenge the  
14          Secretary's ruling by bringing an action in the  
15          United States Tax Court, or in the United  
16          States district court for the district of such tax-  
17          payer's residence, for a declaratory judgment as  
18          to whether the taxpayer is an eligible individual  
19          and entitled to make such a designation.

20          “(2) INCOME TAX LIABILITY.—The term ‘in-  
21          come tax liability’ means the amount of the tax im-  
22          posed by chapter 1 on a taxpayer for any taxable  
23          year (as shown on such taxpayer's tax return) re-  
24          duced by the sum of—

1           “(A) the credits (as shown in such return)  
2           allowable under part IV of subchapter A of  
3           chapter 1 (other than subpart C thereof), and

4           “(B) the amount designated under section  
5           6096.

6           “(3) INCOME TAX PAYMENT.—The term ‘in-  
7           come tax payment’ means the amount of taxes im-  
8           posed by chapter 1 and paid by or withheld from a  
9           taxpayer for any taxable year not in excess of such  
10          taxpayer’s income tax liability.

11          “(c) MANNER AND TIME OF DESIGNATION.—A des-  
12          ignation under subsection (a) may be made with respect  
13          to any taxable year either—

14                 “(1) at the time of filing the return of the tax  
15                 imposed by chapter 1 for such taxable year, or

16                 “(2) at any other time (after the time of filing  
17                 the return of the tax imposed by chapter 1 for such  
18                 taxable year) specified in regulations prescribed by  
19                 the Secretary.

20          Such designation shall be made in such manner as the  
21          Secretary prescribes by regulations except that, if such  
22          designation is made at the time described in paragraph  
23          (1), such designation shall be made on the page bearing  
24          the taxpayer’s signature.

1       “(d) SPECIAL RULE IN THE CASE OF JOINT RE-  
2 TURN.—In the case of an eligible individual filing a joint  
3 return, upon the consent of such individual’s spouse, the  
4 joint income tax payment may be designated pursuant to  
5 subsection (a).

6       “(e) EXPLANATION OF UNITED STATES PEACE TAX  
7 FUND PURPOSES.—Each publication of general instruc-  
8 tions accompanying an income tax return or a question-  
9 naire return described in section 6039F shall include—

10           “(1) an explanation of the purpose of the  
11 United States Peace Tax Fund,

12           “(2) the criteria for determining whether an in-  
13 dividual meets the requirements of section 6(j) of  
14 the Military Selective Service Act (50 U.S.C. App.  
15 456(j)), and

16           “(3) an explanation of the process for making  
17 the designation provided by this section.”.

18       “(b) CLERICAL AMENDMENTS.—The table of parts of  
19 subchapter A of chapter 61 of the Internal Revenue Code  
20 of 1986 is amended by adding at the end the following  
21 new item:

“Part IX—Designation of income tax payments for transfer to  
United States Peace Tax Fund.”.

22       “(c) DESIGNATION INFORMATION.—

23           “(1) Subpart A of part III of subchapter A of  
24 chapter 61 of the Internal Revenue Code of 1986

1 (relating to information and returns) is amended by  
2 adding at the end the following new section:

3 **"SEC. 6039F. UNITED STATES PEACE TAX FUND DESIGNA-**  
4 **TION INFORMATION.**

5 "(a) QUESTIONNAIRE RETURN.—Every taxpayer who  
6 makes a designation described in section 6099(a) for any  
7 taxable year shall make a questionnaire return during  
8 such year as described in this section. The questionnaire  
9 return shall request the taxpayer to certify such taxpayer's  
10 beliefs about participation in war, the source or genesis  
11 of such beliefs, and how the beliefs affect the taxpayer's  
12 life.

13 "(b) QUESTIONNAIRE RETURN RECEIPT.—Upon re-  
14 ceipt of a questionnaire return that is timely filed, the Sec-  
15 retary shall issue a receipt to the taxpayer indicating time-  
16 ly filing of such return."

17 (2) The table of sections for such subpart is  
18 amended by adding at the end the following new  
19 item:

"Sec. 6039F. United States Peace Tax Fund designation infor-  
mation."

20 (d) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply with respect to—

22 (1) taxable years beginning after December 31,  
23 1996, and

1           (2) any taxable year ending before January 1,  
2 1997, for which the time for filing a claim for re-  
3 fund or credit of an overpayment of tax has not ex-  
4 pired on the date of the enactment of this Act.

5           (e) RULES APPLICABLE TO RETURNS OF TAX FOR  
6 TAXABLE YEARS ENDING BEFORE DATE OF ENACT-  
7 MENT.—

8           (1) PENALTIES FOR FAILURE TO PAY TAX.—  
9 Notwithstanding any other law, any person's failure  
10 or refusal, before the date of the enactment of this  
11 Act, to pay all or a part of the tax imposed by chap-  
12 ter 1 of the Internal Revenue Code of 1986 shall not  
13 be a violation of Federal law if the person—

14                   (A) pays the tax due (with interest), and  
15                   (B) establishes to the satisfaction of the  
16 Secretary of the Treasury that the failure or re-  
17 fusals to pay was based upon such person's con-  
18 scientious objection to participation in war in  
19 any form within the meaning of section  
20 6099(b)(1)(A) of such Code (defining eligible  
21 individual).

22           (2) DISPOSITION OF AMOUNTS COLLECTED.—  
23 There are hereby transferred to the Fund amounts  
24 equivalent to the sum of the amounts paid into the  
25 Treasury by persons under the provisions of para-

1 graph (1). Such amounts shall be deposited into the  
 2 Fund and shall be available only for the purposes  
 3 provided in this Act.

4 **SEC. 5. ESTATE TAX PAYMENTS TO UNITED STATES PEACE**  
 5 **TAX FUND.**

6 (a) **IN GENERAL.**—Subchapter C of chapter 11 of the  
 7 Internal Revenue Code of 1986 is amended by adding at  
 8 the end the following new section:

9 **“SEC. 2210. DESIGNATION OF ESTATE TAX PAYMENTS FOR**  
 10 **TRANSFER TO UNITED STATES PEACE TAX**  
 11 **FUND.**

12 “An eligible individual (within the meaning of section  
 13 6099(b)(1)) may elect that the tax imposed by section  
 14 2001 on the taxable estate of such individual shall be  
 15 transferred when paid to the United States Peace Tax  
 16 Fund established by section 3 of the United States Peace  
 17 Tax Fund Act. The election may be made by the executor  
 18 or administrator of the estate under written authority of  
 19 the decedent. Such election shall be made in such manner  
 20 as the Secretary shall by regulations prescribe.”.

21 (b) **CLERICAL AMENDMENT.**—The table of sections  
 22 for subchapter C of chapter 11 of the Internal Revenue  
 23 Code of 1986 is amended by adding at the end the follow-  
 24 ing:

“Sec. 2210. Designation of estate tax payments for transfer to  
 United States Peace Tax Fund.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply with respect to the estates of dece-  
 3 dents dying after December 31, 1996.

4 **SEC. 6. GIFT TAX PAYMENTS TO UNITED STATES PEACE**  
 5 **TAX FUND.**

6 (a) IN GENERAL.—Subchapter A of chapter 12 of the  
 7 Internal Revenue Code of 1986 is amended by adding at  
 8 the end the following new section:

9 **“SEC. 2506. DESIGNATION OF GIFT TAX PAYMENTS FOR**  
 10 **TRANSFER TO UNITED STATES PEACE TAX**  
 11 **FUND.**

12 “Any eligible individual (within the meaning of sec-  
 13 tion 6099(b)(1)) may elect that the tax imposed by section  
 14 2501 shall be transferred when paid to the United States  
 15 Peace Tax Fund established by section 3 of the United  
 16 States Peace Tax Fund Act. The election shall be made  
 17 in such manner as the Secretary shall by regulations pre-  
 18 scribe.”.

19 (b) CLERICAL AMENDMENT.—The table of sections  
 20 for subchapter A of chapter 12 of the Internal Revenue  
 21 Code of 1986 is amended by adding at the end the follow-  
 22 ing new item:

“Sec. 2506. Designation of gift tax payments for transfer to  
 United States Peace Tax Fund.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply with respect to gifts made after  
3 December 31, 1996.

4 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) CERTIFICATION BY COMPTROLLER GENERAL.—  
6 As soon after the close of each fiscal year as may be prac-  
7 ticable, the Comptroller General shall determine and cer-  
8 tify to the Congress and to the President the percentage  
9 of actual appropriations made for a military purpose with  
10 respect to such fiscal year. The certification shall be pub-  
11 lished in the Congressional Record upon receipt by the  
12 Congress.

13 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
14 hereby authorized to be appropriated for each fiscal year  
15 a certain portion of the Fund for obligation and expendi-  
16 ture in accordance with the provisions of this Act. Such  
17 portion is equal to an amount which is the sum of—

18 (1) the product of—

19 (A) all funds transferred to the Fund in  
20 the previous fiscal year, times

21 (B) the percentage determined under sub-  
22 section (a) for such previous fiscal year, plus

23 (2) all funds in the Fund previously authorized  
24 to be appropriated under this subsection but not yet  
25 appropriated pursuant to this Act.

1 Funds remaining in the Fund shall accrue interest accord-  
2 ing to the prevailing rate in long-term Government bonds.

3 (c) SURPLUS COVERED INTO GENERAL FUND.—For  
4 each fiscal year, the portion of the Fund which is attrib-  
5 utable to funds transferred to the Fund in the previous  
6 fiscal year and which is not authorized to be appropriated  
7 under subsection (b) is hereby covered into the general  
8 fund of the Treasury of the United States. No part of  
9 the funds transferred to the general fund under this sub-  
10 section shall be appropriated for any expenditures, or oth-  
11 erwise obligated, for a military purpose.

12 **SEC. 8. ELIGIBLE APPROPRIATIONS.**

13 (a) PAYMENTS.—Funds appropriated pursuant to the  
14 authorization under section 7(b) shall be available, subject  
15 to appropriation, to make grants, loans, or other arrange-  
16 ments for eligible activities described in subsection (b).

17 (b) ELIGIBLE ACTIVITIES.—The following activities  
18 are eligible to receive funds under subsection (a):

19 (1) Special Supplemental Food Program for  
20 Women, Infants and Children (WIC).

21 (2) Head Start.

22 (c) DISPLACEMENT OF OTHER FUNDS.—It is the in-  
23 tent of this Act that the Fund shall not operate to release  
24 funds for military expenditures which, were it not for the

1 existence of the Fund, would otherwise have been appro-  
2 priated for nonmilitary expenditures.

3 **SEC. 9. DEFINITIONS.**

4 For the purposes of this Act—

5 (1) The term “military purpose” means any ac-  
6 tivity or program which any agency of the Govern-  
7 ment conducts, administers, or sponsors and which  
8 effects an augmentation of military forces or of de-  
9 fensive and offensive intelligence activities, or en-  
10 hances the capability of any person or nation to  
11 wage war.

12 (2) The term “actual appropriations made for  
13 a military purpose” includes, but is not limited to,  
14 amounts appropriated by the United States in con-  
15 nection with—

16 (A) the Department of Defense;

17 (B) the Central Intelligence Agency;

18 (C) the National Security Council;

19 (D) the Selective Service System;

20 (E) activities of the Department of Energy  
21 that have a military purpose;

22 (F) activities of the National Aeronautics  
23 and Space Administration that have a military  
24 purpose;

25 (G) foreign military aid; and

1 (H) the training, supplying, or maintaining  
2 of military personnel, or the manufacture, con-  
3 struction, maintenance, or development of mili-  
4 tary weapons, installations, or strategies.

5 (3) The term "agency" means each authority of  
6 the Government of the United States, whether or  
7 not it is within or subject to review by another agen-  
8 cy, but does not include—

9 (A) the Congress; or

10 (B) the courts of the United States.

11 (4) The term "person" includes an individual,  
12 partnership, corporation, association, or public or  
13 private organization other than an agency.

14 **SEC. 10. SEPARABILITY.**

15 If any section, subsection, or other provision of this  
16 Act, or the application thereof to any person or cir-  
17 cumstance, is held invalid, the remainder of this Act and  
18 the application of such section, subsection, or other provi-  
19 sion to other persons or circumstances shall not be af-  
20 fected thereby.

○

Peace Tax Fund Bill Testimony

**Written Testimony for the  
May 21, 1992  
Congressional Hearing on**

**The U.S. Peace Tax Fund  
Bill**

**National Campaign for a Peace Tax Fund  
2121 Decatur Place, N.W.  
Washington, DC 20008  
202-483-3751**

**Marian Franz, Executive Director**

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## I. THE NATIONAL CAMPAIGN FOR A PEACE TAX FUND

My name is Marian Franz. I am executive director of the National Campaign for a Peace Tax Fund. The campaign is organized solely to pass legislation which would provide a way for persons to participate in the tax system without violating their conscientiously held beliefs. The proposed legislation would amend the Internal Revenue Code to provide that a taxpayer conscientiously opposed to any participation in war could have his or her income, estate, and gift tax payments spent for non-military purposes only. As a registered lobbyist, I have spoken on behalf of citizens who are petitioning the government for the right to pay 100% of their taxes without violating deeply held moral/ethical beliefs. As present law now stands, they cannot.

Our central affirmation is that each individual has the right not to be coerced into participation in killing other human beings – whether that participation is physical or financial. Ultimately this right is based in the freedom to exercise religion according to the dictates of conscience.

The National Campaign for a Peace Tax Fund was founded in 1971 to address this basic issue of conscientious objection to war as it involves the payment of taxes. Voluntary contributions from some 2,000 individuals and from organizations support all of our activities. Basic support is from corporate religious bodies. The annual budget is \$80,000.

Organizations that endorse the U. S. Peace Tax Fund Bill include, at the national level: Baptist Peace Fellowship of North America, Brethren in Christ Church, Buddhist Peace Fellowship, Church of the Brethren, Disciples of Christ, Episcopal Peace Fellowship, Evangelicals for Social Action, Franciscan Federation of Brothers and Sisters of the U.S., Friends United Meeting, General Board of Church and Society of the Methodist Church, General Conference Mennonite Church, Jewish Peace Fellowship, Lutheran Peace Fellowship, Mennonite Central Committee Peace Section, Mennonite Church, National Assembly of Religious Women, National Federation of Priests Councils, New Jewish Agenda, Pax Christi (U.S.A.), Presbyterian Church U.S.A., Presbyterian Peace Fellowship, Unitarian Universalist Association, United Church of Christ, U. S. Catholic Conference (Office of International Peace and Justice), as well as the following other national organizations: American Friends Service Committee, American Arab Anti-Discrimination Committee, Fellowship of Reconciliation, Friends Committee on National Legislation, Grandmothers for Peace, Humanitas International, Mobilization for Survival, New Call to Peacemaking, Sojourners, Veterans for Peace, Women's International League for Peace and Freedom, and World Peacemakers.

A dramatic increase of support for the idea of a peace tax fund has been realized in recent years. This has been in the context of a widespread interest in the protections for conscientious objectors to war. Among recent new endorsers for the U.S. Peace Tax Fund are the Presbyterian Church (U.S.A.), a denomination constituting nearly three million members, and the General Board of Church and Society of the nine million member United Methodist Church.

The international interest in conscientious objection has included new provisions instituted in Poland, Russia, Hungary, and Brazil, together with adoption of this right by the United Nations Commission on Human Rights in 1989 "as a legitimate exercise of freedom of thought, conscience and religion." Also the Steering Committee on Human Rights of the Council of Europe, as well as many church-based groups in Latin America, Asia and Eastern Europe are taking positions in support of conscientious objection.

Nations which have active Peace Tax Fund campaigns include: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

## II. THE U.S. PEACE TAX FUND BILL - HISTORY

Since 1972 efforts have been underway in Congress to establish a right of conscientious objection for taxpayers who, on religious grounds, cannot participate in the funding of war or preparation for war. Dr. David Bassett, a Quaker physician on the medical faculty of the University of Michigan, with help from the legal faculty, brought the first Peace Tax Fund Bill to Congress in 1972. Representatives Ron Dellums, Charles Rangel, (current chair of the Ways & Means Subcommittee on Select Revenue Measures) and eight other members of the House introduced the World Peace Tax Fund Bill in 1972, and in 1975 Senator Mark Hatfield introduced a companion bill in the Senate. The bill has been introduced in every Congress since then.

In 1985 the bill's name was changed to the "United States Peace Tax Fund Act." At that time several important changes were introduced in response to concerns about the technical viability of the Bill. The campaign has been, and remains, open to making improvements in this legislative vehicle.

Sen. Mark Hatfield (R-OR) and Rep. Andrew Jacobs, Jr. (D-IN) introduced legislation in the 102nd Congress that would amend the Internal Revenue Code to recognize conscientious objector status with regard to the payment of taxes for military purposes.

### III. EXECUTIVE SUMMARY OF U.S. PEACE TAX FUND BILL

#### 1. Purposes of the Bill

The Bill establishes the United States Peace Tax Fund as a special trust fund within the U.S. Treasury. Eligible taxpayers may designate payment of their federal taxes into this fund. There is no financial benefit to those who contribute their taxes to the Fund. The full tax amount is paid and the bill actually generates a modest increase in federal revenue. What the bill achieves is protection of conscience in the context of the free exercise of religion.

Recognizing that for a significant minority of U.S. citizens, sincere conscientious objection to participation in war in any form means that they cannot, in conscience, pay the portion of their taxes that would support military expenditures, the Bill has as its purposes:

- (a) to protect conscience by allowing conscientious objectors to pay their full tax liability without violating their moral, ethical, and religious beliefs;
- (b) to reduce the present administrative and judicial burden created by conscientious objectors who violate the tax laws rather than violate their consciences;
- (c) to recognize conscientious objector status with regard to the payment of taxes for military purposes; and
- (d) to provide a mechanism for congressional appropriation of such funds for nonmilitary purposes.

#### 2. Eligibility

An eligible individual is a person who is conscientiously opposed to participation in war in any form, and who either (1) has been exempted or discharged from combatant service and training in the armed forces as a conscientious objector under military or Selective Service System law and regulations or (2) certifies to the IRS that he or she is a conscientious objector (C.O.) within the meaning of the Military Selective Service Act and its case law. "Conscientious objection" is a precisely defined category:

"anyone who by reason of religious training and belief is opposed to participation in war in any form," or whose opposition is based on moral and ethical beliefs held with the strength of the traditional religious convictions.

An individual qualifies under (2) above by filing during each taxable year, with the IRS, a form claiming C.O. status for that taxable year. The form will contain three questions designed to certify the individual's beliefs about participation in war, the source or genesis of such beliefs, and how the beliefs affect the taxpayer's life. These are the same three questions C.O. claimants must answer under section 6(j) of the Military Selective Service Act. The IRS sends a receipt in return to verify such filing, and the receipt is then attached to the individual's income tax return. The IRS will include, in its publications of income tax instructions, information about the existence of the Fund and criteria for eligibility, as well as an explanation of the claim-filing process.

The Secretary of the Treasury may require the taxpayer to further justify his or her C.O. claim. If the Secretary then rejects the claim, the burden of proof (including initiating court action, if that is to follow) falls upon the taxpayer.

#### 3. Payments into the Fund

An eligible taxpayer may designate that his or her income tax payment for that year will be paid into the U.S. Peace Tax Fund. A joint tax return would qualify for payments into the Fund if one of the couple has qualified for such status.

The sums of all the amounts designated by eligible taxpayers will be transferred at least monthly into the U.S. Peace Tax Fund from the Treasury's general fund. The Secretary of the Treasury will report to Congress, each year, the total amount transferred into the Fund during the preceding fiscal year, with such information to be printed in the *Congressional Record*.

Soon after the end of each fiscal year, the Comptroller General will determine the percentage of federal funds actually appropriated in that fiscal year for current military purposes and report that figure to Congress for printing in the *Congressional Record*. The nonmilitary percentage is then returned to the General Fund to be used for nonmilitary purposes.

The Peace Tax Fund's Board of Trustees recommends expenditures of the military percentage of the money in the Fund. (See "Activities" below.) Congress then appropriates the money for disbursement by the Board. Money remaining in the Peace Tax Fund from previous years may also be

appropriated. Interest will accrue on any money remaining in the Peace Tax Fund.

An eligible individual may also elect that any estate or gift taxes for which he or she is responsible likewise are to go into the Fund.

~~4. Board of Trustees of the U.S. Peace Tax Fund~~

~~The Fund's Board will consist of 11 members, nine appointed by the President with confirmation by the Senate (with not more than five of these from the same political party) and one each from the Senate and House of Representatives appointed, respectively, by the President pro tempore of the Senate and the Speaker of the House, to serve ex officio. Each Board member must have demonstrated a consistent commitment to world peace, international friendship, and the peaceful resolution of international conflict.~~

~~Length of Board terms, limitations on reappointment, and compensation for members of the Board and its staff, will be specified. Provisions will also be made governing how the Board fills vacancies, how it obtains the information it needs from other government agencies to fulfill its tasks, how it reports its activities and decisions, and other matters. The Board must submit a budget to Congress, report to Congress and the President annually on its activities, and provide complete accounting of all monies received and disbursed.~~

~~X Activities to be Supported by the Board~~

~~Under appropriation acts passed by Congress, the Board may make funding arrangements for activities including but not limited to the following: (1) retraining of workers displaced by conversion from military production or activities; (2) research and study directed toward developing and evaluating nonmilitary and nonviolent solutions to international conflict; (3) disarmament efforts; (4) special projects of the United States Institute of Peace; (5) international exchanges for peaceful purposes; (6) improvement of international health, education, and welfare; and (7) programs for providing public information and education about the above activities.~~

~~The Board will publish regulations for submission of applications to the Fund, and will determine that functions and activities of individuals or organizations funded have a nonmilitary purpose. Outlays by the Fund are not intended to release, for military spending by the federal government, any monies that would otherwise be spent for nonmilitary purposes.~~

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→ 1. WIC 2. Head Start

6. Definitions Appearing in the Bill

"Military purpose" means any activity or program conducted, administered, or sponsored by an agency of the government which affects an augmentation of military forces, defensive and offensive intelligence activities or enhances the capability of any person or nation to wage war. This includes funding for the Central Intelligence Agency, the National Security Council, the Selective Service System, and military expenditures of the Department of Energy and of the National Aeronautics and Space Administration, and foreign military aid.

7. Handling of Penalties for Past Failure to Pay Tax

If an individual has had a civil or criminal penalty imposed on him or her for unpaid income tax for any year prior to the effective date of the USPTF Act, that penalty will be vacated if the individual (a) pays the tax due, with interest and (b) establishes satisfactorily that his or her failure to pay was based on the criteria for conscientious objection as defined in the Bill. An amount equal to the taxes due will then be transferred by the Treasury to the Fund.

IV. QUESTIONS AND ANSWERS ABOUT THE PEACE TAX FUND BILL

1) Question: Does the Bill delegate congressional authority to make appropriations? 

Answer: The Congressional Research Service of the Library of Congress in 1983 concluded that the bill does not delegate congressional authority to appropriate funds, since the appropriations under the bill are authorized by Congress, not by the Peace Tax Fund Board. The principle of a specialized exemption for conscientious objectors is well established under case law connected with the Military Selective Service Act. The legal counsel in Congress which drafted the 1985 revision of the bill has been very mindful of the need to meet constitutionality challenges. At that time we clarified the role of the appropriations committee in two ways:

- a) We added a provision requiring the Board to make recommendations to the appropriations committee each year regarding the dispersal of funds and
- b) stated that the appropriations committee be required to appropriate the "set-aside" funds on projects recommended by the Board (i.e., not on projects of its own choosing.)

2) **Question:** Is this approach legally similar to the ear-marking of funds into special trust funds?

**Answer:** A Congressional Research Service report says: "Yes. Section 2(b)(1) provides that all amounts designated by eligible taxpayers go into the Fund by way of transfers from the general fund of an amount equal to the sum of these amounts. The actual amount that goes out of the fund to be used by the Board, however, is dependent upon the amount that is appropriated annually."

3) **Question:** How would the appropriations process actually work?

**Answer:** The Congressional Research Service commented on the financial scheme of the Peace Tax Fund Bill proposal. (Sections have been renumbered to correspond with current bill, HR 1870).

(The Bill) establishes a special trust fund known as the (World) Peace Tax Fund. The Fund consists of an amount transferred from the general fund that is equivalent to all amounts designated to it by eligible payers of income, estate, and gift taxes and is available only for the nonmilitary purposes specified in section [9(c)] including research directed toward developing and evaluating nonmilitary and nonviolent solutions to international conflict, disarmament, and improvement of international health, education and welfare.

While the amount from these taxpayers goes into the Fund and cannot be used for purposes other than those listed in section 9(c), a separate annual appropriation is required to transfer money from the Fund to the World Peace Tax Fund Board of Trustees. Section 9(a) provides that the Board may make payments as authorized by appropriation acts under such conditions and terms as it considers necessary. Section 7(b) authorizes the appropriation each year of a certain portion of the Fund but nothing in the proposal actually appropriates any money. Section 7(b) is a permanent authorization but not a permanent appropriation. Congress in the future may choose not to appropriate any amount in any given year to the Board.

The maximum amount that section 7(b) authorizes to be appropriated is the percentage of actual appropriations made by the United States from the Federal Funds Budget

during the preceding fiscal year which were made for a military purpose applied to the total of tax payments transferred to the Fund plus all moneys in the Fund previously authorized to be appropriated to the Board but not yet appropriated.

Section 7(c) authorizes to be appropriated to the general fund of the Treasury any portion of the Fund not appropriated to the Board. No part of the money transferred to the general fund may be appropriated for any expenditure, or otherwise obligated for military purposes.

In these trust funds the authorization is permanent as in section 7(b). These funds differ from the World Peace Tax Fund in that they have permanent appropriations in their basic underlying authorizing legislation. These appropriations become available without current action by Congress; the receipts of these funds are automatically appropriated for the purposes of the funds. As noted above, funds must be appropriated from the World Peace Tax Fund to the Board.

4) **Question:** What protection is provided against capricious and spurious claims?

**Answer:** We recognize that the various malcontents and others who simply disagree with current administration policy may try to take advantage of this opportunity and misuse the provision. In 1985 the Bill was changed to protect against such claims. Earlier proposals had included a simple C.O. check-off box on Form 1040. To minimize the likelihood of capricious claims, the bill now requires an essay answer to establish that one is a C.O. under the current legal definition. The extra Form would provide a measure of self enforcement, not provided by the check-off box on the form 1040. The series of short essay statements in response to questions parallels the SSS form for C.O.s to military service. We believe there is less likelihood of capricious C.O. claims than under a military draft because in this case there is no incentive to be dishonest. Unlike a draft, there is no escape from physical danger. The full tax bill is still due and payable. The act would be private. No public acclaim ensues from filing the C.O. Form.

5) **Question:** Will screening C.O. claims put an undue administrative burden on the IRS?

**Answer:** We assume that screening will occur only as part of any routine audit. A statement which expresses simple disagreement with current policy, or conscientious objection to nuclear weapons only, would be rejected. The taxpayer could, if he/she wished, appeal to the tax court or to a federal district court for a declaratory judgement. We do not want to overburden either the IRS or the judicial system. We are reluctant to suggest any pre-screening because of the tremendous bureaucratic burden that suggests. We believe that the lack of financial incentives for false claims and the structure of the filing process are sufficient, and will not cause an undue burden on the IRS. There will certainly be a savings from the current need to enforce collections from C.O.s who are war tax resisters.

6) **Question:** Could other bills providing for similar special arrangements for other causes be initiated in Congress?

**Answer:** There are no restrictions on the introduction of bills in the Congress, but the U.S. Peace Tax Fund Bill does not, itself, set a precedent. Congress exists to accede to a number of citizens' concerns based on some sound principles. What is distinctive about the U.S. Peace Tax Fund Bill is that it extends to taxpayers a long and honored tradition of respect for conscience as it relates to killing in war.

Statutory exemptions designed to accommodate religious scruples which already exist in other areas of government compelled activity are generally far less pervasive or involve less significant societal or governmental values. Most notable of these other forms of statutory exemptions include exemptions for religious objectors from taking oaths, for Christian Science healers from requirements in certain medical practice acts, and from restrictions on the use of alcoholic beverages for sacramental purposes.

7) **Question:** Does the Bill open the door to a "flood" of special exemptions?

**Answer:** We know that for members of Congress this could potentially be a problem. However, historically and legally, objection to war has held a unique place in our nation. Most of the American colonial governments made special provision for conscientious objectors beginning with Rhode Island in 1662. The first Continental Congress resolved in 1775 that it would recognize the rights of those who would not bear arms because of religious scruples [2 Journals of the Continental Congress 189 (1905)]. By the time of the Civil War numerous states exempted C.O.s from

conscription on religious grounds from their militias. In the Federal Militia Act of 1862, the control of conscription was left primarily to the States but the Federal Conscription Act of 1863 contained commutation and substitution provisions, and the Draft Act of 1864 extended exemptions to conscientious objectors who were members of certain religious denominations. In the latter year, the Confederacy also exempted certain pacifist sects from military duty.

During World War I, the Draft Act of 1917 (40 Stat, 76, 78), afforded exemptions to certain religious C.O.s. Yet hundreds of conscientious objectors suffered and a few died in American prisons for their beliefs during that war. It was not until 1933 that President Roosevelt issued a full pardon, and the last World War I C.O. was released from prison.

In World War II, the Selective Training and Service Act of 1940 broadened the earlier exemption by making it unnecessary that the objector belong to a pacifist religious sect (54 Stat. 889). Following that war, the 1948 Universal Military Training and Service Act (62 Stat. 604), renamed the Military Selective Service Act of 1967, and still later, the Military Selective Service Act, continued the 1940 exemptions. The statutory policy of exempting religious conscientious objectors from military service has been characterized as a "long standing tradition in this country" and one with roots "deeply embedded in history." [*Welsh v. United States*, 198 U.S. 333 91970), Mr. Justice Harlan's concurrence at 365,366]

8) **Questions:** "Are there legal precedents which recognize conscientious objection to war as unique and superior when compared to other forms of objection? Are there legal distinctions made between conscientious objection to war and other forms of objection?"

**Answers:** Shortly after the Bill's introduction, the Congressional Research Service issued a report addressing these two questions: We quote from: "Special Status of Conscientious Objection to War and Legal Distinctions between Conscientious Objection to War and Other Forms of Objection":

No legal precedents have been found which hold that conscientious objection to war is superior to or of more compelling character, as an aspect of the right to freedom in the exercise of religion as guaranteed by the First Amendment or otherwise, than other forms of objection.

Objection to war does, however, possess certain unique characteristics. First, exemption from combatant service

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on the basis of conscientious objection has been accorded by statute extensively and since the early days of this nation. Such exemption was extended by several of the colonies and has been incorporated in the constitutions of many of the states. [See *Hamilton v. Regents of the University of California*, 293 U.S. 245, 267 (1934)].

... Second, in evaluating the weight of the restrictions on religious freedom, the sincerity of the claim for religious exemption must be assessed, not necessarily to be rejected simply because of a lack of historical pedigree but at the same time not to be automatically accepted. Related to the question of sincerity is the element of how central or essential to the religion is the practice affected by the prohibition or requirement. A conflict that threatens the very survival of the religion or the core values of the faith poses clearly more serious free exercise problems than does a conflict which merely inconveniences the faithful.

Finally, an assessment must be made of the relative extent to which the challenged government regulation interferes with practices or commands. In this respect, both direct and indirect interference must be considered, and the probable duration of the effects may be relevant. *Regulations which compel actions contrary to conscience are arguably more serious interferences than those which merely subject more or less passive religious dissenters to government action.*

Recognition of the special moral dilemma faced by those who must pay taxes in support of military activities to which they are opposed will not open a Pandora's box to claims by other persons. The plight of individuals who will be benefitted under H.R. 7053 (now H.R. 1870) is worthy of special consideration in view of the fundamental moral basis of their claims and the historically recognized unique status of conscientious objectors.

## V. CONSCIENTIOUS OBJECTION DEFINED

This Bill is designed to address issues related to conscientious objection rather than concerns about specific national policies or spending priorities. The Bill uses the same legal definition of conscientious objection to war as the Military Selective Service Act. Conscientious objectors say that it is the ultimate right of the conscience not to participate in the killing of

another human being – whether that participation be physical or financial. Although the belief of conscientious objectors necessarily implies criticism of the existing order, we are not subversive of social aims and values. Rather, our belief encompasses our whole life and the search for justice and peace for all is a goal of our active existence. We have nothing to gain financially or in terms of self-interest except preservation of our religious and conscientious integrity.

### 1. The Problem for Individuals in their Own Words: Quotes from Testimony of PTF Proponents & War Tax Resisters

The impelling character of conscience in relation to conscientious objection to military taxation is revealed by these voices:

#### FROM MEMBERS OF RELIGIOUS DENOMINATIONS

"As a Christian, I believe that those who take the sword will die by the sword, and I see evidence of that as first the Soviet Union and now the United States fall to ruin because of our obsession with military might over the past 50 years. I follow the principles of my denomination (Presbyterian) one of which is that "God alone is Lord of the conscience." This applies to matters of spiritual belief, and I believe that how one spends one's money is ultimately a spiritual question, especially when the wrong spending of it (for more weapons) directly contributes to wounding and killing other people, all of whom are created in the image of God."

Daniel R. Erdman, Lancaster, PA

"Our convictions grew out of early religious training. Biblical teachings about the 'Prince of Peace' seemed totally discordant with the slaughter of Christians of one nation by Christians of another. By the time World War II erupted, we were ready to declare all war contrary to the God we worship and the Scripture we were taught. Our conscientious objection to all war is now officially recognized by our denomination [Presbyterian Church (U.S.A.)], and nuclear war is condemned as unjust and immoral by our denominational policy."

Jean Edwards and George Edwards, Louisville, TN

"I am a Roman Catholic, and I believe very strongly in the Gospel of Jesus Christ. Jesus instructed us to love our enemies, and He reinforced the commandment 'thou shalt not kill' with messages of peace and love, forgiveness and reconciliation. ... So too, as a follower of this Jesus, I find it morally repugnant to pay taxes which I know support these evil weapons and the war machine which creates them. ... I cannot in conscience fully contribute my share when I know that a large percentage of my taxes pay for

war. I must follow my conscience in this aspect of my citizenship just as I try to let it guide me in my relationships and all other aspects of my life."

Dawn Green, Omaha, NE

"As a young mother during the Vietnam War years, I remember sitting in my Catholic church one Sunday knowing intuitively and without a doubt that war was wrong, not just the Vietnam War, but any war... My religious beliefs and conscience were gradually awakened in many areas... I came to realize that spending large amounts on defense was waging war on our own people by depriving them of decent nutrition, education and housing... Knowing that my tax dollars were killing and injuring men, women and children in Central America was incredibly painful... While my husband didn't want our taxes used for war and killing, he was not willing to break the law... **When one cannot follow one's conscience, there is tremendous inner conflict and psychological cost.** One represses one's feelings and becomes numb... When a nation loses its conscience, it loses its soul. I feel I am in danger of losing my soul. Please give people whose religious and moral beliefs are violated at tax time, a legal alternative by passing the Peace Tax Fund Bill."

Ann Marie Judson (mother of 5), Lemoyne, PA

"The Social Principles of the **United Methodist Church** states: Though coercion, violence, and war are presently the ultimate sanctions in international relations, we reject them as incompatible with the gospel and spirit of Christ.' 1988, paragraph 74G."

Marion Tappan, Chairman, Board of Church & Society,  
E. Ohio Conference United Methodist Church, Cleveland  
Heights, OH

"The night before Jesus was crucified... the apostle Peter took up a sword and tried to prevent Jesus' arrest... Jesus, however, was against arms - healed the wounded soldier and told Peter to put the sword away. 'He who lives by the sword will perish by the sword!' Jesus said. Thus, let those of our people who feel that they cannot support a war machine have a way of paying their taxes knowing they will go to other national expenses."

Earl Cunningham, Pastor Tod Avenue **United Methodist Church**, Warren, OH

"My roots as a Baptist stretch back to the 16th century when a spontaneous and scattered revolt against religious oppression broke out in Europe. A key affirmation of that revolt - named by its enemies as "Anabaptist" - was the refusal on theological grounds to wield the sword ... The basis of this affirmation was not political theory but biblical fidelity. My conscientious objection to taxes for war rests on that foundation."

Ken Schested, Baptist Peace Fellowship, Memphis, TN

"As a committed Christian, I believe that I cannot in conscience kill another person because of my commitment to Jesus Christ. As an American I believe strongly in religious freedom and separation of church and state; I believe that the state should have a way for people like myself to contribute to many, many important things that the country does so well without contributing to what in conscience we feel is wrong."

Ronald J. Sider, Professor of Theology & Culture,  
Eastern Baptist Theological Seminary, Wynnewood, PA

"The Jewish Peace Fellowship has recently celebrated its 50th anniversary of dedication to nonviolence in the Jewish tradition. Our members sign a statement committing themselves to conscientious objection to war. We believe that this conviction follows to the support of any spending for the military. Our faith leads us to support the Peace Tax Fund."

Joyce Bressler, Jewish Peace Fellowship, Nyack, NY

"I think it is the responsibility of Congresspersons to recognize that not only persons of draft age are persons of conscience in matters of war. Some of us have held this position for many years, even after serving our country as I did in world War II. It has been a deepening conviction of mine through the last thirty years that war is morally wrong."

Bishop L. David Brown, Northeastern Iowa Synod,  
Evangelical Lutheran Church in America, Waverly, IA

"As Lutherans we believe that God holds us all responsible for our actions. God has entrusted this planet and the creatures on it to our care. Humanity has practiced slaughter and destruction for millennia. This must stop.... We call for the option offered in the Peace Tax Fund Bill. The most sane alternative without it is to refuse to pay taxes at all."

Bill Braham and Judy Braham, Madison WI

"During the 16th, 17th and 18th centuries, my ancestors, European Anabaptists, were persecuted, tortured and slaughtered by the thousands because they refused to take up the sword. Many of their descendents who survived, Mennonites like myself, moved to America for the express purpose of religious freedom. For them that included nonparticipation in any war or violence. Today the methods of war have changed. Rather than putting so many bodies on the line, we can push buttons that wreak untold destruction on the lives and environment of our 'enemies.' Today it is **our tax money that kills far more effectively than soldiers...** So how can I, who am conscientiously opposed to war, pay taxes to support these modern weapons which destroy so effectively?"

Lareta Finger, Chicago, IL

"The Quaker faith posits that there is something of God in every human being. Believing this, I cannot kill, or strike, or intentionally hurt or insult, or even ignore another human being without doing the same to the God that is within him or her. Thus the position against killing is absolute: I cannot kill or pay for the killing of a human being without killing that portion of God that is within."

William Hayden, Dearborn, MI

"My conscience burns within when I learn of deaths and injuries caused by weapons my tax money helped to create. I am a Quaker from a family with many Christian ministers and have had the Ten Commandments, including 'Thou shalt not kill,' taught to me from infancy."

Mary A. Glover, M.D., Nanakuli, HA

"As a member of the Mennonite Church, which has emphasized a peace witness for more than 450 years, I am a conscientious objector to war. As a follower of Jesus Christ, I am called to love my enemies and to do good to all. This not only forbids participation in war, it also raises ethical questions about my payment through taxes for weapons of war...it is not our bodies which are required...but our tax dollars. I do not object to taxation as such. I am glad to pay taxes for services which help needy people and which establish a more just society. However, my conscience is deeply violated when I am required to pay taxes for the support of a military machine and military actions which are contrary to my faith in Jesus Christ."

Janet Jennings, Sterling, IL

"For a long time I have been seeking a way to be a loyal and law-abiding citizen without doing violence to my conscience, and I have found none. The Peace Tax Fund Bill will provide for such a way. I believe in taxation as I believe in community service. By enabling me to pay taxes toward building up the community of nations – rather than destroying other nations – you make it possible for me to be a better citizen."

Alfred Krass, Pastor, United  
Christian Church (UCC), Levittown, PA

"I am an ordained minister in the United Church of Christ and the Church of the Brethren... Within the pages of the New Testament we find Jesus counseling forgiveness, understanding, reconciliation, harmonious relationships, and never violence. ...I have wanted to support my government as is counseled in Scripture but have not wanted to pay for weapons and wars that simply do more harm than good in the long run. Now there seems to be a way for me to both support the state and honor my beliefs."

Steven Jones, Kettering, OH

"We are Christian pacifists and members of the Church of the Brethren, ... For every year since 1969 that we've earned enough to be taxed we have refused to pay the military portion of the tax, most of those years redirecting those funds to organizations dedicated to peacemaking by peaceful means. Both our religious convictions and our moral scruples forbid our bodily participation in war, ... For this conscientious war tax refusal, we have been harassed by IRS agents, had funds seized from our bank account, wages garnished, and on one occasion had four Revenue agents seize our 3 year old van (...used for family...and variety of church activities) and put it up for public auction. Such retribution makes a mockery of "freedom of religion," Please understand we we would go to jail before we would willingly pay taxes for war."

Philip W. and Louise B. Rieman, Grundy Center, IA

"In over 450 years as a peace church, no member of the Hutterian Brethren has ever taken part in war or military service of any kind. Thousands of Hutterian Brethren have been tortured and killed rather than violate their consciences by acting against the teachings of Jesus to love and pray for one's enemies (Matt 5:38-48)." ... "Indeed, two of our brothers died in a prison camp in the United States during World War I because they refused to participate in any way in the military organization. In earlier centuries members suffered deprivation, loss of property and homeland, and endured persecution rather than pay taxes levied for supporting the military."

George and Dorly Albertz, Norfolk, CT and  
Richard and Carolyn Kurtz, Farmington, PA

"My ancestors of the Hopi Tribe from the southwest part of this country lived, and taught my people to live, in peace and harmony with all peoples through the practice of peaceful non-resistance and sharing, providing for the entire community and the stranger as one's brother. For over 1,000 years or more my tribe has up until this day sought to live out these values and beliefs as a way of life! ... When the General Conference Mennonite Church was given approval by our Hopi Chief Loloma back in 1893, it was because they also believed and practiced this way of life and belief as from the teachings from the Holy Scriptures..."

Elmer Myron and Nadinia Myron, Phoenix, AZ

"For many years I have been a Zen Buddhist and the killing of sentient beings is to me a very serious mistake. Recruiting and training other people to kill is the same moral error, as is paying for the whole process. It is a great grief to me, a great moral problem, that my federal taxes are used for war and preparation for war, for weapons and for public relations attempts to make war activities acceptable to us all. ...The Peace Tax Fund Bill would enable me to support my government in all but its war-related activities, without violating my conscience."

Edith Chadenedes, Friday Harbor, WA

GENERAL RELIGIOUS OBJECTION

"This is a fundamental religious position that has to be respected, and the government will not be one cent poorer as a result. Thank God that there are citizens who act out of conviction, as opposed to following the herd blindly."

Helen Homans, Santa Fe, NM

"We don't believe that any member of The House Ways and Means Committee could stand up in Congress and state that the basic tenets of the Christian, Jewish and other religions are wrong, unjust and absurd. Yet that is just what is being said by the way our tax law requires conscientious objectors to pay for military expenditures. We can't explain why all people of these same religions are not conscientious objectors, too. We only know that some of us are. ...Not recognizing us as conscientious objectors does not change the fact that we are."

Diane Post and Irwin Post, Ph.D., Bethel, VT

"I am unable to consider the possibility of taking someone else's life ... I must give myself both personally and materially to help meet the many complex needs of persons in this world. ... As a professional working with school age children and parents it is immediately obvious that for a secure future we need to teach and build resources of peace and conflict resolution ... I would ask that my tax dollars support such efforts".

Milbert Penner, Indianapolis, IN

OBJECTION BASED ON CONSCIENCE & THE CONSTITUTION

"The decision to challenge federal law is a weighty matter, and tax resistance has, for each of us, been undertaken only after serious consideration... If we are striving, in all our different professions, to preserve and uphold human life, it poses a significant dilemma to be asked to use part of the income from our work to pay for weapons and military forces which are unquestionably destructive of human life... The framers of the Constitution felt its [conscience's] force so strongly that the principle of freedom of conscience became the very foundation upon which our government was based."

Signed by nine C.O.s to military taxation, Austin, TX

"I am writing to support Bill H.R. 1870 – Peace Tax Fund and Rep. Ron Dellums' Military Conscientious Objector Act of 1992... these cover long overdue protection against courts' recent weakening of constitutional freedom of religion and conscience."

Maisie Jones, Haines, AK

"I have spent more than 10 years resisting federal taxes which use money to build nuclear weapons, and a lifetime as a physician in support of human services. I shouldn't be considered a criminal. Please closely consider the morality of this bill."

Robert Mastroianni, M.D., Lakeport, CA

HARDSHIP OF LIVING BELOW TAXABLE INCOME LEVEL / LOSS TO SOCIETY

"For the last two years I have finally begun to withhold as much as possible of the proportion of my taxes that would be spent on killing people. I am finally at one with my conscience, but at the cost of becoming a lawbreaker... Last year the IRS collected my withheld war taxes from my salary, making me again an unwilling contributor to killing. To prevent this from happening again, this year I will drop out of a career in which I am very productive... My contributions as a good technical writer will be lost as well as the taxes and contributions I would pay toward human needs."

Lenore Luscher, Watsonville, CA

"It is not easy to raise a family, living below the taxable level. We continually struggle with making ends meet and providing for our family needs, but for us it would be impossible and unacceptable to raise our level of income if it meant supporting the military with our taxes. We will continue to see simple living as a challenge and a vehicle for our expressions of faith. The Peace Tax Fund would allow us to earn more and channel more money into the rebuilding and nurturing of our society. To grant a nation the freedom of religious and then bind its member's creative abilities by forcing its very life blood into planning for war is not freedom of religion at all. We love our country and its people and want desperately to find avenues that will allow our involvement in the healing of our nation. We believe it is only a matter of time for a nation build on principles of truth and justice to recognize this and allow its members with a conscience towards peace to fulfill their convictions and participation as tax paying citizens."

Laurie Wilson Hesed and Larry Mann Hesed, Pawnee Rock, KS

"In the late 1940s I began keeping my income below the IRS taxable level -- then \$600/year -- because I was conscientiously opposed to paying any money to be used for military purposes. Over many years since then I was able to live on such a small income, deliberately holding my earnings down, owning no car, and giving much income away for charitable deductions. ... When my income went over the taxable limits I then refused to pay that portion of my income tax owed which went for 'current military

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expenditures,' explaining to IRS that I had religious convictions against supporting military expenditures. Eventually IRS would levy the unpaid amount from my bank account. ... The last such levy occurred last November. Of the total of \$620.83, only \$395.47 was originally owed. The difference \$225.36 was for IRS 'statuary additions' over the years the tax was unpaid. ... A good Peace Tax Fund bill would relive me of being forced to pay such a heavy dollar price for practicing my religion."

Franklin Zahn (age 84), Los Angeles, CA

EXPERIENCE WITH LEVIES/ LIENS & FINES / IRS COST OF COLLECTION

"I have filed with the IRS every year even though I have refused to pay; I have been up front about my intentions, and as a consequence I am facing both stiff fines and a lien on my bank account and property. Starting with my first letter to the IRS, I have continued to state that I will pay my taxes – even the fines – if I know they will not go to military purposes. Frankly I don't make very much money, and I am sure that my case is similar to many others: The government is spending more than I owe in trying to get me to pay."  
Lisa Kiser, Washington, DC

"In the past, on four different occasions, we have expressed the depth of our convictions on this matter by publicly attempting to refuse to pay a portion of our income taxes. In each case we were fined. In two cases, we were refused a trial to argue our case... on our second attempt we were harassed with a \$1,000 fine for attempted fraud, which was dropped without apology on our challenge thereof. Secondly, on traveling nearly 400 miles to Washington, D.C. for a hearing before a judge as to whether or not we could have a trial our request was declared frivolous and we were fined \$2,000."  
Donald and Marion Lathrop, Canaan, NY

TAX RESISTANCE, NOT AVOIDANCE

"My tax payment is held in escrow, to be released to the government when the government, in acknowledgment of the right to free exercise of religion will agree to use the money for nonmilitary purposes and not for war or preparations for war. Passage of a bill such as the Peace Tax Fund Bill would give an administrative way to do this. The rights of conscience are inalienable rights, not privileges."

Rosa Covington Packard, Greenwich, CT

"I would be willing to increase my income substantially and pay the resulting tax happily, if I knew I was not supporting war and preparation for war. Legally or illegally, thousands of C.O.s are avoiding tax payments. Let them contribute in good conscience."

Gary Duell, Portland, OR

"I recently protested, in an open and honest manner, the spending on my federal taxes for military purposes; the IRS responded by taking \$500 more, telling me I had filed a 'frivolous' return. Representatives, this is not a frivolous matter, but a question of deep religious conviction. I am not trying to find a way to pay less taxes. For religious reasons I give my entire earnings to the Catholic community to which I belong."

Anne-Marie Boucher, Little Sisters of Jesus, Lumberton, NC

GULF WAR

"The voices of the victims of war keep rising up... A year ago Americans watched their tax dollars at work in Iraq. They killed between one and two hundred thousand people in a month's time... Today malnutrition, disease, and destitution are the continuing results of this man-made plague of death and despair. Taxes paid for all this... I cannot willingly consent to the conscription of my taxes for the destruction of God's creation... I accept Jesus' way of love and peace and justice and reject coercion and violence in all human relations."

Helen Loewen, Minneapolis, MN

NUREMBURG PRINCIPLES / HIGHER LAW

"...I believe it is illegal for me to pay taxes for immoral purposes, as it is illegal for IRS to require those taxes... I believe that the decisions of the Nuremberg Tribunal give strong support for this view. But even were it not for this support, I state unequivocally that I would not commit murder even if ordered to do so by any agency of the government. ...To pay taxes for war is to participate in murder."

Roger Lorenz, Oroville, WA

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CONSCIENCE AND MILITARY TAX: AN AGE-OLD DILEMMA

"Therefore we are gladly and willingly subject to the government for the Lord's sake, and in all just matters we will in no way oppose it. When, however, the government requires of what what is contrary to our faith and conscience – as swearing oaths and paying hangman's dues and taxes for war – then we do not obey its command. This we do not out of obstinacy or pride, but only out of pure fear of God. For 'it is our duty to obey God rather than men'?"

Claus Felbinger (a 16th century martyr), 1560

**2. The Problem for Religious Bodies**

Because many of their members have become conscientious war tax resisters, religious institutions and communities cannot avoid examining their own involvement. Most affirm conscientious war tax resistance as an authentic Christian witness. A collection of these statements is available in our publication, *Communities of Conscience*. Church bodies are now supporting conscientious objection to military taxation on three levels:

1) Many offer financial support through "conscience support funds" which provide money to help pay interest and penalties of war tax resisters. Churches also provide moral support through prayers and active support by accompanying individuals at court hearings, at meetings with revenue collection agents, or at auctions and seizure of personal property. Some maintain provisional peace tax funds into which war tax resisters contribute the military percentage of their federal taxes.

2) Employers face involvement as collection agents for the IRS through the system of employer tax withholding. The tax withholding system has to a large extent made every taxpayer a supporter of war efforts even before he or she receives the paycheck. Therefore, some employees are asking their church employers not to violate their consciences by not withholding, or not sending to the government, the military portion of the federal tax from their paychecks. This places the burden of conscience squarely on the employers who must respond to conscientious objectors on their staffs.

Because employers are directly and involuntarily involved in the withholding system, many religious employers are caught in a difficult place. They stand between the conscientiously held beliefs of their faith tradition and the requirements of the tax system. How can they teach their people to follow conscience – no matter what the cost – and then violate that conscience by giving to Caesar what the employee believes belongs to God?

3) In response, a number religious organizations have adopted personnel policies which support staff members who are conscientious objectors to military tax by not withholding or not turning over the military portion of the income tax. Several religious organizations have adopted policies not to comply with IRS levies on salaries of staff members of conscientious objectors to military tax. Some have suffered severe monetary loss attempting to defend their right not to violate the deeply held religious convictions of their own staff.

**VI. CONCLUSION**

The National Campaign for a Peace Tax Fund believes that this legislation is a workable mechanism to resolve the dilemma faced by these individual conscientious objectors and by these religious institutions. Attorney Peter Goldberger's testimony addresses the legal precedents and constitutional issues which both permit and require us to seek this legislation.

We will be happy to work with you to enshrine this fundamental freedom into law. We are also willing to admit that a portion of the conscientious objector community will not use the bill for a variety of principled reasons. We see the appropriation of the military portion to the stated purposes allowed in the bill as a form of economic conversion from military defense to peaceful non-military defense strategies. Perhaps we can emphasize here that conscientious objectors believe in the defense of the nation and are willing to pay for it, but not through military means. That indeed is the whole point of the list of alternative appropriations – to defend the nation, not to provide extraneous exceptions or busy work. These alternatives are seen as developing and researching a new type of very strong and effective defense.

*Our central affirmation is that each individual has the right not to be coerced into participation in killing other human beings – whether that participation is physical or financial. Ultimately this right is based in the freedom to exercise religion according to the dictates of conscience.*

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National Campaign for a

# Peace Tax Fund

2121 Decatur Place, NW ■ Washington DC 20008-1923 ■ (202) 483-3751 ■ FAX (202) 986-0667

The National Campaign for a Peace Tax Fund is organized solely to pass legislation which would provide a way for persons to participate in the tax system without violating their conscientiously held beliefs. The proposed legislation would amend the Internal Revenue Code to provide that a taxpayer conscientiously opposed to any participation in war could have his or her income, estate, and gift tax payments spent for non-military purposes only. Through the Campaign, citizens are petitioning the government for the right to pay 100% of their taxes without violating deeply held moral/ethical beliefs. As present law now stands, they cannot.

Our central affirmation is that each individual has the right not to be coerced into participation in killing other human beings—whether that participation is physical or financial. Ultimately this right is based in the freedom to exercise religion according to the dictates of conscience.

The National Campaign for a Peace Tax Fund was founded in 1971 to address this basic issue of conscientious objection to war as it involves the payment of taxes. Voluntary contributions from some 2,000 individuals and from organizations support all of our activities. Basic support is from corporate religious bodies. The annual budget is \$80,000.

Organizations that endorse the U. S. Peace Tax Fund Bill include, at the national level: Baptist Peace Fellowship of North America, Brethren in Christ Church, Buddhist Peace Fellowship, Church of the Brethren, Disciples of Christ, Episcopal Peace Fellowship, Evangelicals for Social Action, Franciscan Federation of Brothers and Sisters of the U.S., Friends United Meeting, General Board of Church and Society of the Methodist Church, General Conference Mennonite Church, Jewish Peace Fellowship, Lutheran Peace Fellowship, Mennonite Central Committee Peace Section, Mennonite Church, National Assembly of Religious Women, National Federation of Priests Councils, New Jewish Agenda, Pax Christi (U.S.A.), Presbyterian Church U.S.A., Presbyterian Peace Fellowship, Unitarian Universalist Association, United Church of Christ, U. S. Catholic Conference (Office of International Peace and Justice), as well as the following other national organizations: American Friends Service Committee, American Arab Anti-Discrimination Committee, Fellowship of Reconciliation, Friends Committee on National Legislation, Grandmothers for Peace, Humanitas International, Mobilization for Survival, New Call to Peacemaking, Sojourners, Veterans for Peace, Women's International League for Peace and Freedom, and World Peacemakers.

A dramatic increase of support for the idea of a peace tax fund has been realized in recent years. This has been in the context of a widespread interest in the protections for conscientious objectors to war. Among recent new endorsers for the U.S. Peace Tax Fund are the Presbyterian Church (U.S.A.), a denomination constituting nearly three million members, and the General Board of Church and Society of the nine million member United Methodist Church.

Nations which have active Peace Tax Fund campaigns include: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

## SUMMARY OF U. S. PEACE TAX FUND BILL

### Purposes of Bill

The central affirmation of the U.S. Peace Tax Fund Bill is that each individual has the right not to be coerced into participation in killing other human beings—whether that participation is physical or financial. Ultimately this right is based in the freedom to exercise religion according to the dictates of conscience.

"Recognizing that for a significant minority of U.S. citizens, sincere conscientious objection to participation in war in any form means that they cannot, in conscience, pay the portion of their taxes that would support military expenditures, the Bill has as its purposes:

- (a) to improve revenue collections and to allow conscientious objectors to pay their full tax liability without violating their moral, ethical, or religious beliefs;
- (b) to reduce the present administrative and judicial burden created by conscientious objectors who violate the tax laws rather than violate their consciences;
- (c) to recognize conscientious objector status with regard to the payment of taxes for military purposes; and
- (d) to provide a mechanism for congressional appropriation of such funds for nonmilitary purposes." *(From the Bill)*

The Bill establishes the United States Peace Tax Fund as a special trust fund within the U.S. Treasury.

### Eligibility

An eligible individual is a person who is conscientiously opposed to participation in war in any form, and who either (1) has been exempted or discharged from combatant service and training in the armed forces as a conscientious objector under the draft laws or (2) certifies to the IRS that he or she is a conscientious objector (CO) within the meaning of the CO section of the Military Selective Service Act and its case law. "Conscientious objection" is a precisely defined category: "anyone who by reason of religious training and belief is opposed to participation in war in any form," or whose opposition is based on moral and ethical beliefs deep enough to take

the place of religion in their lives. This Bill is designed to address issues related to conscientious objection *rather than concerns about specific national policies or spending priorities.*

An individual qualifies under (2) above by filing during each taxable year, with the IRS, a form claiming CO status for that taxable year. The form thus must be filed well in advance of the tax return. The form will contain three questions designed to certify the individual's beliefs about participation in war, the source or genesis of such beliefs, and how the beliefs affect the taxpayer's life. These are the same three questions CO registrants must answer under section 6(j) of the Military Selective Service Act. The IRS sends a receipt in return to verify such filing, and the receipt is then attached to the individual's income tax return. The IRS will include, in its publications of income tax instructions, information about the existence of the Fund and criteria for eligibility, as well as an explanation of the claim-filing process.

The Secretary of the Treasury may require the taxpayer to further justify his or her CO claim. If the Secretary then rejects the claim, the burden of proof (including initiating court action, if that is to follow) falls upon the taxpayer.

### Recent Changes in the PTF Bill:

Allocating money in the Peace Tax Fund to specific governmental agencies and programs (WIC, nutrition for poor Women, Infants and Children] and Head Start has eased concern that the Bill allowed spending decisions to be made outside of Congress. The separate government agency mandated in the previous version of the Bill was a heavy weight on the Bill and impeded its movement. The U.S. Institute of Peace and the Peace Corps have been removed from the list of eligible activities.

### No Interference with Budget or Appropriations Authority

The USPTF Bill does not mean that the Pentagon would get less money or that W.I.C.

(OVER)

and Head Start would get more. The Bill has a single purpose: to assure that penalties not be imposed on people because of their religious belief.

### **Congressional Hearings**

A House Ways & Means subcommittee held a hearing on the Peace Tax Fund Bill in the 102nd Congress and the full committee included the Bill in a hearing on tax measures in the 104th Congress. For both hearings, clergy from Protestant, Catholic and Jewish faiths asked that the minority of their adherents who are conscientious objectors should be accommodated using the USPTF Bill.

### **Positive Revenue Effect:**

*The Joint Committee on Taxation* rates the Peace Tax Fund Bill as a "negligible revenue raiser." The Peace Tax Fund Bill can claim both historical/moral merit and a positive revenue effect.

### **What Further Changes Would Improve the Bill?**

Is there a way to permit sincere conscientious objectors to pay their full tax obligation without violating deeply held religious or ethical beliefs? The U.S. Peace Tax Fund Legislation is still "on the computer" and open to more changes.

### **Comment from Congressional Research Service:**

"Recognition of the special moral dilemma faced by those who must pay taxes in support of military activities to which they are opposed will not open a Pandora's Box to claims by other persons. *The plight of individuals who will be benefitted (under the Peace Tax Fund bill) is worthy of special consideration in view of the fundamental moral basis of their claims and the historically recognized unique status of conscientious objectors.* --CRS Memo

### **Payments into the Fund**

An eligible taxpayer may designate that his or her income tax payment for that year will be

paid into the U.S. Peace Tax Fund. A joint tax return would qualify for payments into the Fund if one of the couple has qualified for such status and both consent.

The sums of all the amounts designated by eligible taxpayers will be transferred at least monthly into the U.S. Peace Tax Fund from the Treasury's general fund. The Secretary of the Treasury will report to Congress, each year, the total amount transferred into the Fund during the preceding fiscal year, with such information to be printed in the *Congressional Record*. Soon after the end of each fiscal year, the Comptroller General will determine the percentage of federal funds actually appropriated in that fiscal year for current military purposes and report that figure to Congress for printing in the *Congressional Record*. At the conclusion of each year the non-military percentage is returned to the general fund to be expended for non-military purposes.

### **Definitions Appearing in the Bill**

"Military purpose" means any activity or program conducted, administered, or sponsored by an agency of the government which affects an augmentation of military forces, defensive and offensive intelligence activities or enhances the capability of any person or nation to wage war. This includes funding for the Central Intelligence Agency, the National Security Council, the Selective Service System, and military expenditures of the Department of Energy and of the National Aeronautics and Space Administration, and foreign military aid.

### **Handling of Penalties for Past Failure to Pay Tax**

If an individual has had a civil or criminal penalty imposed on him or her for unpaid income tax for any year prior to the effective date of the USPTF Act, that penalty will be vacated if the individual (a) pays the tax due, with interest and (b) establishes satisfactorily that his or her failure to pay was based on the criteria for conscientious objection as defined in the Bill. An amount equal to the taxes due will then be transferred by the Treasury to the Fund.

*National Campaign for a Peace Tax Fund  
2121 Decatur Place., N.W.  
Washington, D.C. 20008  
202-483-3751 January 1994*

# Response from Joint Comm. on Taxation

#93-1 156 - 15  
PRELIMINARY  
4-Oct-93

- Ways and Means Committee -

## ESTIMATED REVENUE EFFECTS OF VARIOUS PROVISIONS

Fiscal Years 1994-1998

[Millions of Dollars]

Provision	Effective	1994	1995	1996	1997	1998	1994-98
<b>JACOBS</b>							
1. Provide exclusion for assignment of workers' compensation liabilities (HR 1416).....	DoE	-3	-18	-44	-74	-102	-241
2. Permit volunteer fire departments to use tax-exempt bonds for rescue vehicles.....	bla 12/31/93	[1]	-1	-2	-3	-4	-10
3. Common Investment trust fund (HR 591).....	1/1/93	-8	-5	-6	-6	-6	-29
4. Modify treatment of small property and casualty insurance companies under the alternative minimum tax (HR 5842, 102nd).....	tyba 12/31/86	-5	-5	-3	-3	-3	-19
→ 5. Peace Tax Fund (HR 2019).....	tyba 12/31/93	----- Negligible revenue raiser -----					
6. Organ donor information enclosed with tax refund.....	ra 2/1/94	----- No revenue effect -----					
7. Higher Education Savings Act of 1993.....	1/1/94	-10	-30	-32	-34	-35	-142
8. Direct deposit of income tax refunds.....	ra 12/31/93	----- No revenue effect -----					
9. Apply straight-line depreciation and 25-year recovery period to certain water utility property.....	pplsa DoE	7	18	32	44	55	155
10. Require Treasury to issue to Social Security trust funds certificates evidencing U.S. obligations held by the funds.....	--	----- Estimate to be provided by CBO -----					
11. Provide deduction for certain adoption expenses (HR 930).....	tyba 12/31/92	-28	-26	-26	-26	-26	-133
12. Exclusion of contributions in aid of construction (CIAC) from gross income of water and sanitation utilities (HR 846).....	DoE	-18	-25	-24	-23	-21	-111
13. Penalties for IRS employees who act arbitrarily, capriciously, and maliciously.....	DoE	-5	-5	-5	-5	-5	-25

HOUSE  
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 MAX BAUCUS, MONTANA

# Congress of the United States

JOINT COMMITTEE ON TAXATION  
 1015 LONGWORTH HOUSE OFFICE BUILDING  
 WASHINGTON, DC 20515-6453  
 (202) 225-3821

KENNETH J. KIES  
 CHIEF OF STAFF  
 MARY M. SCHMITT  
 DEPUTY CHIEF OF STAFF  
 (LAW)  
 BERNARD A. SCHMITT  
 DEPUTY CHIEF OF STAFF  
 (REVENUE ANALYSIS)

Honorable Andrew Jacobs, Jr.  
 U.S. House of Representatives  
 Washington, DC 20515

MAY 01 1995

Dear Mr. Jacobs:

This is in response to your request dated April 11, 1995, for a revenue estimate of H.R. 1402, the "United States Peace Tax Fund Act".

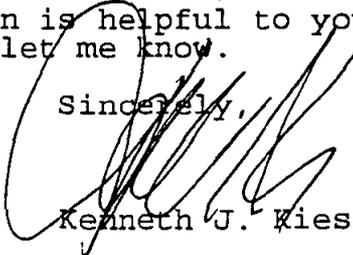
H.R. 1402 would allow certain individuals to designate that their Federal income tax, Federal estate tax, or Federal gift tax be paid to a "United States Peace Tax Fund". Any amount so designated would be transferred from the general fund of the Treasury to the United States Peace Tax Fund.

An individual would be eligible to make such a designation if: (1) the individual is conscientiously opposed to participation in war in any form by reason of religious training or belief, and (2) either the individual has been exempted or discharged from military service as a conscientious objector, or the individual certifies in an appropriate manner that he or she is conscientiously opposed to participation in war in any form. Amounts transferred to the United States Peace Tax Fund would be used to make grants, loans or other arrangements to: (1) the Special Supplemental Food Program for Women, Infants and Children (WIC), (2) Head Start, (3) the United States Institute of Peace, and (4) the Peace Corps. Finally, the proposal would waive civil and criminal penalties for any individual who pays any tax due for a prior year (with interest) if the individual satisfies the Internal Revenue Service that the failure to pay tax was based upon the individual's conscientious objection to participating in war in any form.

Assuming that the proposal would apply to taxable years beginning after December 31, 1995, and also to any taxable year ending before January 1, 1996, for which the time for filing a claim for a refund or credit of an overpayment of tax has not expired as of the date of enactment of this Act, we estimate that this proposal would increase Federal fiscal year budget receipts by a negligible amount.

I hope this information is helpful to you. If we can be of further assistance, please let me know.

Sincerely,

  
 Kenneth J. Kies



National Campaign for a

# Peace Tax Fund

2121 Decatur Place, NW ■ Washington DC 20008-1923 ■ (202) 483-3751 ■ FAX (202) 986-0667

## THE DILEMMA OF CONSCIENCE AND TAXES FOR MILITARY FORCE

### SOME EXAMPLES

Every April 15, thousands of taxpayers -- who cannot in good conscience participate in the military or preparations for war -- are caught in a moral dilemma. Because of religious, ethical or moral convictions, these taxpayers must make an agonizing decision. Can they pay the portion of their taxes that supports a military they themselves could not join? Thus, they are left with a difficult choice. Either obey the law and ignore the dictates of their conscience at great psychological cost; or follow their conscience and face harassment, stiff penalties or fines from the IRS.

The following cases represent a sample of the estimated ten to twenty thousand taxpayers who -- out of respect for conscience -- cannot pay the portion of their taxes for military use. These stories are representative of many who have made extraordinary sacrifices to exercise their religious beliefs and follow the dictates of their conscience.

### PATRICIA WASHBURN, COLORADO - LOSS OF PROPERTY

Patricia Washburn, a religious educator and ethicist at Illiff School of Theology in Denver, has lost her home and her car to the IRS. Her bank account and wages have been garnished. The IRS allows her an income of only \$500 per month. These actions occurred after Patricia testified for the Peace Tax Fund Bill before the House Ways and Means Committee in 1992. "By exercising my conscience I risk prosecution and perhaps prison," she said in her testimony. "The Episcopal Church ... went on record to say that conscientious objection is a faithful response and should have the respect, the support, and the ministry of the Church. ... If my religious denomination believes my response is faithful, why then does my government not allow me to make this witness without living with the daily fear and anxiety that accompanies this faith witness?"

"I am a war tax resister based on my religious conviction that in a nation where we spend 60¢ of every tax dollar for military intervention and maintenance, and only 2¢ per dollar for the education of our children, this is an act of idolatry."

### BILL RAMSEY, MISSOURI - PRISON

In August 1993, Bill Ramsey spent thirty days in jail. He was sent there by the government to persuade him to pay the military portion of this taxes, which he has been withholding for the past two decades. Ramsey was arrested during a Holy Week vigil in 1992 in the waiting room of the IRS office in St. Louis. Convicted of distributing leaflets without a permit, Bill Ramsey was sentenced to three years probation, with the proviso that he "pay any taxes to be owed" as a condition of the probation. When Ramsey could not disregard his conscience and pay his income tax, he was sentenced to a month in jail.

In his court statement, Bill Ramsey made it clear that conscientious objection to military taxes was an issue of religious convictions. "The resources we hold are a divine trust, not to be surrendered to war-making. US military interventions during my lifetime and Hebrew prophets both suggest that when nations use violent force, it is usually to protect privilege. No situation or person stands outside God's transforming work in history. To kill is to assume that we have the right to place limits on God's promises."

After Bill was released from prison, he still refused to pay his taxes. Since then, the courts have threatened to sentence him to an additional year in prison, he has been threatened with criminal prosecution, and attempts have been made to garnish his wages through his employer. In 1995, in order to avoid garnishment of his wages, Bill ceased fulltime employment with his employer.

### PAULA ROGGE, TEXAS - VOLUNTARY IMPOVERISHMENT

Paula Rogge is a Quaker and a physician who has resisted war taxes for the past thirteen years. When the IRS sent notice to her employer that her wages would be garnisheed, Dr. Rogge asked to have her salary lowered to \$100 a week, and began working nights to supplement her reduced income. Dr. Rogge has to find a new night job nearly every two years, because that is the length of time the IRS takes to locate and begin attaching her wages again. The IRS has also seized Dr. Rogge's car. Her war tax resistance is integrally connected with her years as a Friend and her medical work. She noted in a recent interview, "As a doctor doing my best to make people well, I felt I could not simultaneously pay for weapons that would hurt people." In the beginning, she resisted 40 to 50 percent of her income tax. When she discovered nearly half of what she was paying was still spent on the military, she stopped paying income taxes entirely. As of 1994, she owes the IRS over \$60,000, including penalties and interest.

### JOHAN AND FRANCIS ELIOT, MICHIGAN - LOSS OF PROPERTY

Johan and Francis Eliot are Quakers and conscientious objectors, and have been war tax resisters since 1965. The IRS has garnisheed the Eliots' wages and levied their property numerous times. As a pediatrician and a retired medical professor, Johan is driven by a desire to help people. Francis believes in non-violence. She says, "Aside from what God says, or the the Bible says, common sense and a reasonable instinct for self-preservation should lead us to cherish our children and other people's children -- not require them to kill and maim each other."

### PHILADELPHIA YEARLY MEETING (QUAKERS) - FINED

The Philadelphia Yearly Meeting (PYM) is an organization representing 100 congregations of the Society of Friends (Quakers). The IRS filed two suits against PYM, totalling nearly \$17,000. PYM had refused to attach the wages of two employees who had withheld the part of their income tax which supports the military. The IRS sought to add a 50% penalty against PYM for refusal to honor the levies "without reasonable cause."

Since 1975, PYM as a body has pledged support for individuals who could not pay the portion of their taxes which funds the military. This includes the refusal to honor any levies against the organization. In 1984, in response to a civil suit, a committee of PYM was formed, including attorneys and concerned Friends. This committee recommended continued non-cooperation. It advised the court of its intent. This decision is not an easy one for any denomination or for board members to make, as they face possible fines and/or imprisonment. PYM decided, however, that this was a time when they must obey a higher law than the state.

In papers filed in the federal court on November 2, 1990, defense attorney Peter Goldberger cited free exercise of religion as guaranteed by the First Amendment of the U.S. Constitution.

"Friends accord a central place in their theology to actions propelled by conscience. The Quaker belief that God can and does speak directly to each individual underlies all Friends' practices. For the Meeting to pay the IRS, in defiance of an employee's Quaker beliefs, the amount of taxes which had been refused on religious grounds would violate the most fundamental religious principles of the church. The Meeting's actions complained of by the United States in these lawsuits were privileged under the Free Exercise clause of the First Amendment." In December 1990, the federal court ruled against PYM.

As Samuel D. Caldwell, General Secretary of PYM, maintains, "Quakers cannot remain silent when our religious practices are being attacked by the IRS."

## RANDY KEHLER AND BETSY CORNER, MASSACHUSETTS - LOSS OF PROPERTY

Betsy Corner and Randy Kehler received notice from the IRS that their home would be seized and auctioned for nonpayment of taxes amounting to \$20,000 in actual taxes and \$6,000 in interest and penalties. The IRS auctioned Randy and Betsy's home in 1991 for a mere \$5,400.

Betsy is a landscape architect. Randy is a public policy researcher and consultant. Both are self-employed. Randy was a conscientious objector to the US's role in Vietnam and served twenty-two months in federal prison in 1972-73 for noncooperation with the draft. The couple has been jointly withholding federal taxes for twelve years. All their tax money has been contributed to non-profit organizations.

Betsy and Randy do not oppose taxation and have always paid all local and state taxes. In a letter to the *Greenfield Recorder* they wrote, "...Because we regard ourselves as responsible, civic-minded and (generally) law-abiding citizens, it is hard for us to deliberately break the federal tax law, and in so doing, risk the censure of family, friends and community. It is harder still to knowingly cooperate with immoral policies which, in the frame work of international law, are themselves illegal and more importantly, lead to so much death and suffering."

For 21 months after the auction, a group of supporters from around the nation vigiled outside the house. The house was sold to a local land-trust in December 1993.

## PHILIP AND LOUISE BALDWIN RIEMAN, IOWA - LOSS OF PROPERTY

On November 30, 1989, in Grundy Center, Iowa, the IRS auctioned Philip and Louise Baldwin Riemann's Volkswagen van. Approximately fifty Riemann supporters attended the auction, wearing badges which read, "Freedom of Conscience - No Bid." They asked people not to bid on the van.

The Riemanns are Church of the Brethren pastors. They said, "We see no moral difference between the conscription of our bodies to kill and our money to kill, and participation in any form in the military system goes against our consciences and the ways of God. For [those reasons] we have for nearly twenty years refused payment of war taxes (about 60%), although we willingly pay the non-military portion of our taxes. We choose instead, to redirect the military portion...to life-enhancing programs and organizations that serve the cause of justice and peace, as we believe God would have us do."

## JOHN AND JANET STONER, PENNSYLVANIA - BANK ACCOUNT SEIZED

For several years we withheld about 50 percent of the income tax we owed. We mailed a letter to the IRS each year explaining that this was an act of conscience, informed by our understanding of the will and command of God. We sent copies of the letter to Congress, the Senate, the President and the pastor of our church as a witness to them. We donated the money we withheld to an institution which served human needs, such as the Mennonite Central Committee [an international relief and development organization].

We received threatening letters from the IRS, and after three years they attached our bank account and collected the money owed, with interest. Considering the implications of the IRS collecting more in the end than we originally owed, we decided to withhold a small amount as a symbol of wholeness, health and completion, in protest against militarism, which embodies brokenness, death and rebellion against God.

### CHARLES HURST, OHIO - LOSS OF PROPERTY, CHURCH LEVIED

In 1977 I graduated from seminary and became an assistant pastor with an inner city congregation in Baltimore. With the coming of a real paycheck, tax resistance became a concrete issue, no longer an abstraction. As Christians, we are called to life and to witness to life in Christ. We cannot participate in anything that brings death to the world, whether that participation is active or passive. Thus I became a tax resister. I have had several encounters with the IRS in which my bank account was seized, my salary levied, and my car seized.

What has been most moving for me in my experience as a tax resister is the support from the church in Cleveland, Bethany Presbyterian, that I was pastoring. The church twice received a levy from the IRS demanding that the church turn over my salary to pay taxes and penalties owed. The first time, the church decided to honor the levy, but also to send a letter to the IRS expressing support for my tax resistance. The congregation also organized an ecumenical worship service to make public their support. The second time the church was levied, the congregation decided not to comply with the levy, and to state their reasons in a letter to the IRS. In spite of numerous threats of legal action by the IRS, the congregation continued with this course even after I left the pastorate of Bethany. Finally, the church was informed by the Justice Department that action against the church was imminent. After much prayerful discussion, the church decided to comply with the levy. They had been advised by an attorney friend that in such a court process, only the question, "Did the church comply with the levy?" would be addressed. The church would not be allowed to talk at all about why the congregation was taking this stand.

### EARL AND PAT MARTIN, PENNSYLVANIA - HARRASSMENT, BANK ACCOUNT SEIZED

We were just back from three years working with Vietnamese farmers who had lost their home in central Vietnam during the peak of the war. Congress enacted a 1% tax on phone bills specifically to fund the war. We felt, in good conscience, we could not pay that tax. Over the coming two years we accumulated an unpaid tax bill of \$5.63. IRS sent us repeated notices, to which we sent notes of explanation. They searched for our bank account. They drove 15 miles to our house on two occasions when we happened not to be at home. On one occasion the agent questioned our landlady at some length about us. Finally, they sent us a notice saying they would seize our car on a given date. We were prepared to let them do so. About a week before that date, we received a notice from them indicating that they had found our small bank account in an adjacent town and seized \$7.36 -- tax plus interest!

Many times over the intervening years they have attached our bank accounts to seize the money they claimed. Usually we did not have enough money in the account to cover their claims, so they went through the process repeatedly. In each case, they required the bank to freeze all of our accounts (even on those occasions when we had much more than their claim) for three weeks. The checks that we had outstanding would of course bounce, and then we had to pay additional charges to the bank and explain to friends and department store owners why the checks bounced.

In 1993 we returned to Vietnam to work with the Mennonite Central Committee [MCC, an international relief and development organization]. We worked with very poor farmers who still struggle under the legacy of years of warfare. During our six months in Vietnam, we received notice that the IRS had placed a lien on our house and all our property. There was no accompanying layperson's explanation of what that lien might mean, so we didn't know whether we would have a house to return to or not. A month later, when we returned, we spoke with an IRS agent by phone who told us she personally respected our conscience in this regard, since we personally witnessed so many people who were killed and injured with military equipment.

We have purposely tried to live with an income modest enough that there would not be sufficient funds in our bank accounts to be seized for military expenditures. But Pat received a loan from MCC to cover the costs of her graduate study in conflict mediation at George Mason University. Since it had been several years since the IRS had last raided our bank account, we placed that study loan money into the Mennonite Credit Union. That's when the IRS struck and seized the study money to send off to fulfill their claim for war taxes.

Sometimes we feel weaker and wonder whether we can continue with this course. But when we remember the broken bodies of many friends, we believe in the depth of our souls that a God who loves each person calls us to keep the faith.

**CLIFF AND ARLENE KINDY, INDIANA**

Over the past several years, at a certain point each year, Cliff Kindy quit his job. Cliff is a skilled carpenter who has worked part of the year on the maintenance department of a local Church of the Brethren retirement home. However, after several months he explained to his supervisor that he had now earned enough money to put him barely below the taxable income level for the year. Any more income would make the Kindys liable for taxes that support the military. Cliff asked his supervisor to consider re-hiring him the next year.

Cliff and his wife Arlene are members of the Church of the Brethren, one of the Historic Peace Churches. They have resisted paying war taxes all their adult lives, primarily by voluntarily living below the taxable income level. They and their two young daughters supplement their income by growing a large garden.

The Kindys' decision to live below the taxable level is based on their deeply held Christian convictions. While their decision has certainly presented economic hardship for their family, it has also provided a peace with God and a peace of mind that would not be possible for them at a higher income level, given the absence of legal provisions such as those the Peace Tax Fund Bill would afford.

104TH CONGRESS  
2D SESSION

# S. 1663

To amend the Internal Revenue Code of 1986 to improve revenue collection and to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes, to create the United States Peace Tax Fund to receive such tax payments, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 29, 1996

Mr. HATFIELD (for himself and Mr. HARKIN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to improve revenue collection and to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes, to create the United States Peace Tax Fund to receive such tax payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "United States Peace  
5 Tax Fund Act".

1 **SEC. 2. FINDINGS AND POLICY.**

2 (a) FINDINGS.—The Congress finds that for a signifi-  
3 cant minority of Americans sincere conscientious objection  
4 to participation in war in any form means that such Amer-  
5 icans cannot in conscience pay the portion of their taxes  
6 that would support military expenditures.

7 (b) POLICY.—It is the policy of the Congress—

8 (1) to improve revenue collections and to allow  
9 conscientious objectors to pay their full tax liability  
10 without violating their moral, ethical, or religious be-  
11 liefs;

12 (2) to reduce the present administrative and ju-  
13 dicial burden created by conscientious objectors who  
14 violate tax laws rather than violate their consciences;

15 (3) to recognize conscientious objector status  
16 with regard to the payment of taxes for military pur-  
17 poses; and

18 (4) to provide a mechanism for congressional  
19 appropriations of such funds for nonmilitary pur-  
20 poses.

21 **SEC. 3. UNITED STATES PEACE TAX FUND.**

22 (a) CREATION OF TRUST FUND.—There is hereby es-  
23 tablished within the Treasury of the United States a spe-  
24 cial trust fund to be known as the “United States Peace  
25 Tax Fund” (hereinafter referred to as the “Fund”). The

1 Fund shall consist of such amounts as may be transferred  
2 to the Fund as provided in this section.

3 (b) TRANSFER TO FUND OF AMOUNTS EQUIVALENT  
4 TO CERTAIN TAXES.—

5 (1) IN GENERAL.—There are hereby transferred  
6 to the Fund amounts equivalent to the sum of the  
7 amounts designated during the fiscal year by indi-  
8 viduals under sections 2210, 2506, and 6099 of the  
9 Internal Revenue Code of 1986 for payment into the  
10 Fund. Such amounts shall be deposited into the  
11 Fund and shall be available only for the purposes  
12 provided in this Act.

13 (2) METHOD OF TRANSFER.—The amounts  
14 transferred by paragraph (1) shall be transferred at  
15 least monthly from the general fund of the Treasury  
16 to the Fund on the basis of estimates by the Sec-  
17 retary of the Treasury of the amounts, referred to  
18 in paragraph (1), received in the Treasury. Proper  
19 adjustments shall be made in the amounts subse-  
20 quently transferred to the extent that prior esti-  
21 mates were in excess of or less than the amounts re-  
22 quired to be transferred.

23 (3) REPORT.—The Secretary of the Treasury  
24 shall report to the Committees on Appropriations of  
25 the House of Representatives and the Senate each

1 year on the total amount transferred into the Fund  
 2 during the preceding fiscal year. Such report shall  
 3 be printed in the Congressional Record upon receipt  
 4 by the committees.

5 **SEC. 4. INCOME TAX PAYMENTS TO UNITED STATES PEACE**  
 6 **TAX FUND.**

7 (a) IN GENERAL.—Subchapter A of chapter 61 of the  
 8 Internal Revenue Code of 1986 (relating to information  
 9 and returns) is amended by adding at the end the follow-  
 10 ing new part:

11 **“PART IX—DESIGNATION OF INCOME TAX PAY-**  
 12 **MENTS FOR TRANSFER TO UNITED STATES**  
 13 **PEACE TAX FUND**

“Sec. 6099. Designation by individuals.

14 **“SEC. 6099. DESIGNATION BY INDIVIDUALS.**

15 “(a) IN GENERAL.—Every eligible individual (other  
 16 than a nonresident alien) whose income tax liability for  
 17 any taxable year is \$1 or more may designate that such  
 18 individual’s income tax payment for such year shall be  
 19 paid into the United States Peace Tax Fund established  
 20 by section 3 of the United States Peace Tax Fund Act.

21 “(b) DEFINITIONS.—For purposes of this section—

22 “(1) ELIGIBLE INDIVIDUAL.—

23 “(A) IN GENERAL.—The term ‘eligible in-  
 24 dividual’ means an individual who by reason of

1 religious training and belief is conscientiously  
2 opposed to participation in war in any form,  
3 and who—

4 “(i) has been exempted or discharged  
5 from combatant training and service in the  
6 Armed Forces of the United States as a  
7 conscientious objector under section 6(j) of  
8 the Military Selective Service Act (50  
9 U.S.C. App. 456(j)), or corresponding law,  
10 or

11 “(ii) certified in a statement in a  
12 questionnaire return made under section  
13 6039F that such individual is conscien-  
14 tiously opposed to participation in war in  
15 any form within the meaning of section  
16 6(j) of such Act.

17 “(B) VERIFICATION.—

18 “(i) QUESTIONNAIRE RETURN RE-  
19 CEIPT.—Any taxpayer who makes a des-  
20 ignation under subsection (a) shall attach  
21 the questionnaire return receipt provided  
22 under section 6039F(b) to such taxpayer’s  
23 return of tax.

24 “(ii) ADDITIONAL INFORMATION MAY  
25 BE REQUIRED.—The Secretary may re-

1           quire any taxpayer who makes a designa-  
2           tion under subsection (a) to provide such  
3           additional information as may be necessary  
4           to verify such taxpayer's status as an eligi-  
5           ble individual.

6           “(C) DENIAL OF DESIGNATION.—If the  
7           Secretary determines that a taxpayer who  
8           makes the designation provided for by sub-  
9           section (a) is not an eligible individual and is  
10          not entitled to make such designation, then the  
11          Secretary, upon written notice to the taxpayer  
12          stating the reasons for denial, may deny the  
13          designation. The taxpayer may challenge the  
14          Secretary's ruling by bringing an action in the  
15          United States Tax Court, or in the United  
16          States district court for the district of such tax-  
17          payer's residence, for a declaratory judgment as  
18          to whether the taxpayer is an eligible individual  
19          and entitled to make such a designation.

20          “(2) INCOME TAX LIABILITY.—The term ‘in-  
21          come tax liability’ means the amount of the tax im-  
22          posed by chapter 1 on a taxpayer for any taxable  
23          year (as shown on such taxpayer's tax return) re-  
24          duced by the sum of—

1           “(A) the credits (as shown in such return)  
2           allowable under part IV of subchapter A of  
3           chapter 1 (other than subpart C thereof), and

4           “(B) the amount designated under section  
5           6096.

6           “(3) INCOME TAX PAYMENT.—The term ‘in-  
7           come tax payment’ means the amount of taxes im-  
8           posed by chapter 1 and paid by or withheld from a  
9           taxpayer for any taxable year not in excess of such  
10          taxpayer’s income tax liability.

11          “(c) MANNER AND TIME OF DESIGNATION.—A des-  
12          ignation under subsection (a) may be made with respect  
13          to any taxable year either—

14                 “(1) at the time of filing the return of the tax  
15                 imposed by chapter 1 for such taxable year, or

16                 “(2) at any other time (after the time of filing  
17                 the return of the tax imposed by chapter 1 for such  
18                 taxable year) specified in regulations prescribed by  
19                 the Secretary.

20          Such designation shall be made in such manner as the  
21          Secretary prescribes by regulations except that, if such  
22          designation is made at the time described in paragraph  
23          (1), such designation shall be made on the page bearing  
24          the taxpayer’s signature.

1       “(d) SPECIAL RULE IN THE CASE OF JOINT RE-  
2 TURN.—In the case of an eligible individual filing a joint  
3 return, upon the consent of such individual’s spouse, the  
4 joint income tax payment may be designated pursuant to  
5 subsection (a).

6       “(e) EXPLANATION OF UNITED STATES PEACE TAX  
7 FUND PURPOSES.—Each publication of general instruc-  
8 tions accompanying an income tax return or a question-  
9 naire return described in section 6039F shall include—

10           “(1) an explanation of the purpose of the  
11 United States Peace Tax Fund,

12           “(2) the criteria for determining whether an in-  
13 dividual meets the requirements of section 6(j) of  
14 the Military Selective Service Act (50 U.S.C. App.  
15 456(j)), and

16           “(3) an explanation of the process for making  
17 the designation provided by this section.”.

18       (b) CLERICAL AMENDMENTS.—The table of parts of  
19 subchapter A of chapter 61 of the Internal Revenue Code  
20 of 1986 is amended by adding at the end the following  
21 new item:

“Part IX—Designation of income tax payments for transfer to  
United States Peace Tax Fund.”.

22       (c) DESIGNATION INFORMATION.—

23           (1) Subpart A of part III of subchapter A of  
24 chapter 61 of the Internal Revenue Code of 1986

1 (relating to information and returns) is amended by  
2 adding at the end the following new section:

3 **“SEC. 6039F. UNITED STATES PEACE TAX FUND DESIGNA-**  
4 **TION INFORMATION.**

5 “(a) **QUESTIONNAIRE RETURN.**—Every taxpayer who  
6 makes a designation described in section 6099(a) for any  
7 taxable year shall make a questionnaire return during  
8 such year as described in this section. The questionnaire  
9 return shall request the taxpayer to certify such taxpayer’s  
10 beliefs about participation in war, the source or genesis  
11 of such beliefs, and how the beliefs affect the taxpayer’s  
12 life.

13 “(b) **QUESTIONNAIRE RETURN RECEIPT.**—Upon re-  
14 ceipt of a questionnaire return that is timely filed, the Sec-  
15 retary shall issue a receipt to the taxpayer indicating time-  
16 ly filing of such return.”.

17 (2) The table of sections for such subpart is  
18 amended by adding at the end the following new  
19 item:

“Sec. 6039F. United States Peace Tax Fund designation infor-  
mation.”.

20 (d) **EFFECTIVE DATE.**—The amendments made by  
21 this section shall apply with respect to—

22 (1) taxable years beginning after December 31,  
23 1996, and

1           (2) any taxable year ending before January 1,  
2           1997, for which the time for filing a claim for re-  
3           fund or credit of an overpayment of tax has not ex-  
4           pired on the date of the enactment of this Act.

5           (e) RULES APPLICABLE TO RETURNS OF TAX FOR  
6 TAXABLE YEARS ENDING BEFORE DATE OF ENACT-  
7 MENT.—

8           (1) PENALTIES FOR FAILURE TO PAY TAX.—  
9           Notwithstanding any other law, any person's failure  
10          or refusal, before the date of the enactment of this  
11          Act, to pay all or a part of the tax imposed by chap-  
12          ter 1 of the Internal Revenue Code of 1986 shall not  
13          be a violation of Federal law if the person—

14                   (A) pays the tax due (with interest), and  
15                   (B) establishes to the satisfaction of the  
16          Secretary of the Treasury that the failure or re-  
17          fusal to pay was based upon such person's con-  
18          scientious objection to participation in war in  
19          any form within the meaning of section  
20          6099(b)(1)(A) of such Code (defining eligible  
21          individual).

22          (2) DISPOSITION OF AMOUNTS COLLECTED.—  
23          There are hereby transferred to the Fund amounts  
24          equivalent to the sum of the amounts paid into the  
25          Treasury by persons under the provisions of para-

1 graph (1). Such amounts shall be deposited into the  
2 Fund and shall be available only for the purposes  
3 provided in this Act.

4 **SEC. 5. ESTATE TAX PAYMENTS TO UNITED STATES PEACE**  
5 **TAX FUND.**

6 (a) **IN GENERAL.**—Subchapter C of chapter 11 of the  
7 Internal Revenue Code of 1986 is amended by adding at  
8 the end the following new section:

9 **“SEC. 2210. DESIGNATION OF ESTATE TAX PAYMENTS FOR**  
10 **TRANSFER TO UNITED STATES PEACE TAX**  
11 **FUND.**

12 “An eligible individual (within the meaning of section  
13 6099(b)(1)) may elect that the tax imposed by section  
14 2001 on the taxable estate of such individual shall be  
15 transferred when paid to the United States Peace Tax  
16 Fund established by section 3 of the United States Peace  
17 Tax Fund Act. The election may be made by the executor  
18 or administrator of the estate under written authority of  
19 the decedent. Such election shall be made in such manner  
20 as the Secretary shall by regulations prescribe.”.

21 (b) **CLERICAL AMENDMENT.**—The table of sections  
22 for subchapter C of chapter 11 of the Internal Revenue  
23 Code of 1986 is amended by adding at the end the follow-  
24 ing:

“Sec. 2210. Designation of estate tax payments for transfer to  
United States Peace Tax Fund.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply with respect to the estates of dece-  
3 dents dying after December 31, 1996.

4 **SEC. 6. GIFT TAX PAYMENTS TO UNITED STATES PEACE**  
5 **TAX FUND.**

6 (a) IN GENERAL.—Subchapter A of chapter 12 of the  
7 Internal Revenue Code of 1986 is amended by adding at  
8 the end the following new section:

9 **“SEC. 2506. DESIGNATION OF GIFT TAX PAYMENTS FOR**  
10 **TRANSFER TO UNITED STATES PEACE TAX**  
11 **FUND.**

12 “Any eligible individual (within the meaning of sec-  
13 tion 6099(b)(1)) may elect that the tax imposed by section  
14 2501 shall be transferred when paid to the United States  
15 Peace Tax Fund established by section 3 of the United  
16 States Peace Tax Fund Act. The election shall be made  
17 in such manner as the Secretary shall by regulations pre-  
18 scribe.”

19 (b) CLERICAL AMENDMENT.—The table of sections  
20 for subchapter A of chapter 12 of the Internal Revenue  
21 Code of 1986 is amended by adding at the end the follow-  
22 ing new item:

“Sec. 2506. Designation of gift tax payments for transfer to  
United States Peace Tax Fund.”

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply with respect to gifts made after  
3 December 31, 1996.

4 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) CERTIFICATION BY COMPTROLLER GENERAL.—  
6 As soon after the close of each fiscal year as may be prac-  
7 ticable, the Comptroller General shall determine and cer-  
8 tify to the Congress and to the President the percentage  
9 of actual appropriations made for a military purpose with  
10 respect to such fiscal year. The certification shall be pub-  
11 lished in the Congressional Record upon receipt by the  
12 Congress.

13 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
14 hereby authorized to be appropriated for each fiscal year  
15 a certain portion of the Fund for obligation and expendi-  
16 ture in accordance with the provisions of this Act. Such  
17 portion is equal to an amount which is the sum of—

18 (1) the product of—

19 (A) all funds transferred to the Fund in  
20 the previous fiscal year, times

21 (B) the percentage determined under sub-  
22 section (a) for such previous fiscal year, plus

23 (2) all funds in the Fund previously authorized  
24 to be appropriated under this subsection but not yet  
25 appropriated pursuant to this Act.

1 Funds remaining in the Fund shall accrue interest accord-  
2 ing to the prevailing rate in long-term Government bonds.

3 (c) SURPLUS COVERED INTO GENERAL FUND.—For  
4 each fiscal year, the portion of the Fund which is attrib-  
5 utable to funds transferred to the Fund in the previous  
6 fiscal year and which is not authorized to be appropriated  
7 under subsection (b) is hereby covered into the general  
8 fund of the Treasury of the United States. No part of  
9 the funds transferred to the general fund under this sub-  
10 section shall be appropriated for any expenditures, or oth-  
11 erwise obligated, for a military purpose.

12 **SEC. 8. ELIGIBLE APPROPRIATIONS.**

13 (a) PAYMENTS.—Funds appropriated pursuant to the  
14 authorization under section 7(b) shall be available, subject  
15 to appropriation, to make grants, loans, or other arrange-  
16 ments for eligible activities described in subsection (b).

17 (b) ELIGIBLE ACTIVITIES.—The following activities  
18 are eligible to receive funds under subsection (a):

19 (1) Special Supplemental Food Program for  
20 Women, Infants and Children (WIC).

21 (2) Head Start.

22 (c) DISPLACEMENT OF OTHER FUNDS.—It is the in-  
23 tent of this Act that the Fund shall not operate to release  
24 funds for military expenditures which, were it not for the

1 existence of the Fund, would otherwise have been appro-  
2 priated for nonmilitary expenditures.

3 **SEC. 9. DEFINITIONS.**

4 For the purposes of this Act—

5 (1) The term “military purpose” means any ac-  
6 tivity or program which any agency of the Govern-  
7 ment conducts, administers, or sponsors and which  
8 effects an augmentation of military forces or of de-  
9 fensive and offensive intelligence activities, or en-  
10 hances the capability of any person or nation to  
11 wage war.

12 (2) The term “actual appropriations made for  
13 a military purpose” includes, but is not limited to,  
14 amounts appropriated by the United States in con-  
15 nection with—

16 (A) the Department of Defense;

17 (B) the Central Intelligence Agency;

18 (C) the National Security Council;

19 (D) the Selective Service System;

20 (E) activities of the Department of Energy  
21 that have a military purpose;

22 (F) activities of the National Aeronautics  
23 and Space Administration that have a military  
24 purpose;

25 (G) foreign military aid; and

1 (H) the training, supplying, or maintaining  
2 of military personnel, or the manufacture, con-  
3 struction, maintenance, or development of mili-  
4 tary weapons, installations, or strategies.

5 (3) The term "agency" means each authority of  
6 the Government of the United States, whether or  
7 not it is within or subject to review by another agen-  
8 cy, but does not include—

9 (A) the Congress; or

10 (B) the courts of the United States.

11 (4) The term "person" includes an individual,  
12 partnership, corporation, association, or public or  
13 private organization other than an agency.

14 **SEC. 10. SEPARABILITY.**

15 If any section, subsection, or other provision of this  
16 Act, or the application thereof to any person or cir-  
17 cumstance, is held invalid, the remainder of this Act and  
18 the application of such section, subsection, or other provi-  
19 sion to other persons or circumstances shall not be af-  
20 fected thereby.

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