

Athol lawmaker reports IRS deal

Back-tax agreement means disclosure of book sales figures

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A North Idaho lawmaker says he has reached an agreement with the Internal Revenue Service and has 60 days to provide additional financial information.

The agreement brokered last week between Rep. Phil Hart, R-Athol, and the IRS averted Monday's hearing before a U.S. District Court judge.

Hart, who owes thousands of dollars in back taxes, instead will divulge the number of self-published books he has sold. He also will disclose the sales of Liberty Dollars – an alternative currency that its maker claims is a hedge against inflation because it's made of silver.

Hart said he always has been willing to give the sales numbers but not the names of buyers. Divulging the latter would violate his First Amendment and privacy rights, he said. As part of the negotiation, Hart said, the IRS dropped the demand for names.

A U.S. Justice Department spokesman declined Monday to comment or confirm whether there is an agreement.

Hart said he expects to meet the 60-day deadline.

The IRS, in court documents, said it needs the requested information to determine Hart's income tax liability for the seven years he refused to pay the tax.

Hart's attorney, John Green, of Houston, said that providing the names of who bought Hart's book, "Constitutional Income: Do You Have Any?" has nothing to do with the IRS' ability to ascertain the amount of back taxes Hart owes.

"There's no purpose other than to chill his speech or commercial activity," Green said.

Hart objects to how Congress and the IRS interpret the 16th Amendment, which gives the federal government the power to collect income taxes. He stopped paying income tax in 1996 while he filed a lawsuit against the IRS to show that Congress was wrongly applying the 16th Amendment.

In 2003, after losing his lawsuit and failing to persuade the U.S. Supreme Court to review the taxing authority of the Constitution and the 16th Amendment, Hart conceded and began paying his taxes.

Now, he said, the IRS is auditing him to ensure he's paying the correct amount, which so far is estimated at nearly \$90,000 in back taxes, penalties and interest.

The lawmaker, a former Constitution Party member who switched to the Republican Party before his 2004 run for the Legislature, said he accepts other taxes, including taxes on business profits, investment income and property. He said that taxes pay for a civilized society and that he never advised others not to pay their federal income taxes.

The IRS also requested information about two trusts, one that owns Hart's Athol home and the other that owns his Alpine Engineering business in Hayden.