

## HOW TO FRY THE I.R.S.

by

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Want to know how to drastically reduce your taxes, avoid probate costs, or eliminate inheritance taxes? Then read the books of Phillip S. Fry, an enterprising tax consultant, with the vision of a crusader, who has built a thriving business on the premise that people who don't like to pay taxes (which includes just about everyone) are generally ignorant of the many legitimate ways that taxes can be reduced or entirely avoided. Tax evasion, notes Fry, is a crime. But tax avoidance has the blessing of the Supreme Court, which stated in 1935 (Gregory v. Helvering): "By any means which the law permits, a taxpayer has a right to decrease the amount of what otherwise could be his taxes, or altogether to avoid them."

Taking the Supreme Court at its word, Fry suggests that if you want to really reduce your taxes, start your own tax-exempt church; if you want to avoid probate costs, set up a Revocable Living Trust; and if you want to eliminate death taxes, create <sup>a</sup> Pure Trust or a Private Annuity. If all of this sounds too technical, Fry's books make it all quite understandable. Their titles convey the

tenor of the message: How to Disinherit the I.R.S. & Probate Court, Pay No Income Taxes Without Going to Jail, How to Cut Your Taxes in Half by Incorporating Your Job or Business, Blood Taxes at Harvest Time, and Our Lady of Pernetual Deductions.

If you intend to accumulate an estate worth more than \$60,000 or are in line to inherit one, then by all means read How to Disinherit the I.R.S. & Probate Court. Most Americans are unaware that probate fees are the number one source of legal revenue in the United States. But you can avoid these high probate fees entirely by setting up a Revocable Living Trust as part of your overall estate planning. Fry's book tells you how to do it. Fry believes that a good knowledge of the tax law is a taxpayer's best protection against an increasingly oppressive tax structure. The tax law makes us all into second class citizens because its complexity prevents us from knowing what our legal rights are. In fact, the new Tax Reform Act of 1976 is so complicated that Fry calls it the Lawyers and Accountants Full Employment Act.

Ignorance of the tax law victimizes many taxpayers needlessly. Fry points out that the I.R.S. is not obliged to show you how to avoid taxes. The tax collector's predisposition is to extract from you as much as he can get. Fry's books include some of the instructions the I.R.S. gives to its own agents. If you believe, as our Founding Fathers did, that taxation without representation is tyranny, wait till you see what taxation with representation is doing to American freedom. The I.R.S. has become the most pervasive and uninhibited invader of personal privacy in our history.

Fry, who is 34, started his business career as a life insurance underwriter. This led him into estate planning, which made him aware of what probate costs and death taxes can do to an estate. For example, when author Ernest Hemingway died in 1961, he left a gross estate of \$1,410,310 which was reduced to \$1,101,029

after payment of probate fees and death taxes. Thus, the act of dying cost Hemingway over \$300,000. When Eddie Cantor died in 1964, his gross estate of \$530,534 was reduced to \$368,680 after payment of probate fees and taxes.

Ignorance and inertia are the prime causes of such losses.

Fry contends that many intelligent, successful people refuse to think about death and therefore deprive their heirs of the benefits of advance estate planning. But what these people don't realize is that in planning ahead for the inevitable, you can also reduce your taxes while alive.

Fry also points out that estate planning is no longer just for the rich. Inflation plus Uncle Sam's insatiable appetite for tax revenue has made the middle class the prime target of the tax collector. Many middle income people are amazed to find out what their assets are when they start adding up the value of what they own in real estate, furniture, automobiles, insurance, stocks, bonds, and checking and savings accounts. If these total more than \$60,000, the estate will be subject to death taxes. Sometimes a family goes into shock when it realizes that it has to liquidate valuable assets at considerable loss in order to pay debts, probate fees, and death taxes. Death becomes more than an emotional tragedy for the family; it also becomes financial disaster.

Fry became so incensed at the federal rip-off of dead Americans, that in 1973 he created a National Council to Eliminate Death Taxes and testified before Congress to get some reform of the law. One result of his efforts was an expanded marital deduction.

While a Revocable Living Trust eliminates probate, it does not eliminate the inheritance tax. A Pure Trust, however, goes a long way to do that. A Pure Trust was the instrument Joseph Kennedy used to avoid the heavy death taxes that would have taken a huge chunk out of his estimated fortune of \$400 million. However,

when he died, a tax of only \$134,330 was levied on his estate, less than the \$159,531 paid out by the Hemingways on an estate 400 times smaller. Fry will advise you on how to set up a Pure Trust if you want one. He also suggests the Private Annuity as a means of avoiding inheritance taxes.

If you're single and want to reduce your tax liability, Fry suggests incorporating your job or business. All sorts of tax savings are possible when you incorporate. But the most promising tax-saving device, according to Fry, is the tax-exempt religious organization. Anyone can start a religion, and the Court has refused to pass judgement on the merits of any particular religion. There are two ways to take advantage of such tax exemption: by starting your own religion, church, or denomination, or by obtaining a church charter from an existing mother church that already has its tax exemption. Fry cites Rev. Kirby J. Hensley's Universal Life Church of Modesto, California, as an example of a successful mother church that has chartered thousands of tax-exempt local ULC churches run by ministers it has ordained by mail.

Fry has started his own non-denominational, non-theological church called the Family & Health Improvement Society. It grants church charters to individuals and families who are serious about upgrading the quality of their family life, health, society and environment. "Families must actively work on implementing the credo of the church and must hold a meeting once per month in their homes or elsewhere reaching out to friends, relatives, neighbors, associates, and others seeking to motivate people to take action to improve their lives." How to do all of this is spelled out by Rev. Fry in his book, Our Lady of Perpetual Deductions.

To sum it up, Phillip Fry has the kind of spunk that should be an inspiration to any taxpayer who wants to become a first class citizen instead of a victim of the system. For a catalog of Fry's books and services, write to Tax Information

Center, Route 1, New Concord, Ohio 43762. Find out what your legal rights are as a taxpayer, and most important of all, find out how to use them.