



# JEFFERSONIAN GROUP

## CHAMPIONS OF FREEDOM AND SELF RELIANCE

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### The Source for Freedom and Self-Reliant Information<sup>1</sup>

Thomas Jefferson defined *rightful liberty* as “unobstructed action according to our will within limits drawn around us by the equal rights of others—I do not add ‘within the limits of the law,’ because law is often but the tyrant’s will, and always so when it violates the right of an individual.”

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## The BIG LIE sponsored by the Biden-Harris Administration

The Biden-Harris Administration and all Democrats appear to be onboard to raise corporate income taxes and increase regulations. Apparently, every Democrat, along with many Republicans, the major media, and many voters, believe that corporations are not paying their fair share of taxes. **The BIG LIE** perpetrated by the Biden-Harris Administration: **By taxing and regulating the so-called wealthy corporations, the poor and middle-class, especially minorities, benefit in the name of “social justice.”**

Although there are many economic illiterates in Congress—e.g., Alexandria Ocasio Cortez who supposedly has a minor in economics (obviously, she did not read Henry Hazlitt’s *Economics in One Lesson*)—some members realize that corporations do not pay taxes and are more than happy to perpetrate this fraud on the American public, which is supported by much of the political establishment, many in academia, and the mainstream media.

Unfortunately, there are only a handful in the mainstream media who understand the fraud (i.e., corporations pay taxes), while many, if not most, are economic illiterates like Geraldo Rivera. When discussing the Biden-Harris tax proposal on Fox News, Geraldo Rivera stated that he cannot stand the idea that a corporation as wealthy as Amazon pays no federal income tax. Mr. Rivera, without understanding and without investigating the issue, made one fraudulent short statement, which most likely convinced many listeners that Biden’s tax-hike on corporations was justified, and therefore, beneficial to the poor and middle-class!

What Mr. Rivera failed to say is that Amazon paid billions of dollars in other taxes at the state & local levels and internationally, including payroll taxes. In addition, Amazon’s employees paid federal income taxes on their wages, including Jeff Bezos! Furthermore, the reason Amazon did not pay any federal income taxes for several years is because the Corporation invested large sums of money in Research & Development, and Property, Plant & Equipment, which is deductible against its Gross Revenues.

Think about it, **how can property or an inanimate object, which includes a corporation, pay taxes? Only people pay taxes**; corporations are efficient tax collectors. This would be common knowledge if we did not have government-controlled compulsory schooling/indoctrination.

In the February 22, 2014 issue of *The Economist*, far from a conservative or libertarian magazine, they stated: “The big question is whether it makes sense to tax corporate profits at all. A company is a legal entity; if it is taxed, it must pass it on.” **Corporations do not pay taxes, only individuals pay taxes.** When a corporation is taxed, either: (1) the stockholders absorb the tax, through a reduction of dividends and/or company value; (2) employees are penalized, by

cancelling raises or bonuses and not hiring new workers; and eventually, (3) customers pay the tax through an increase in the cost of the products or services purchased from corporations.

**Ultimately, all taxes are included in the cost of the products and services purchased from corporations. Therefore, contrary to what you may hear from the media, academia, and democratic politicians (along with some Republicans), it is the middle-class and poor that suffer from taxes imposed upon corporate profits.**

*The Economist* has even taken the position that “the rich world needs to cut red tape to encourage business.” The cost of government regulation represents another tax or fee ultimately passed onto the middle-class and poor, who use the products and services provided by corporations. In addition, because of the high cost of regulation, the middle-class cannot afford to open new businesses that compete with the large, entrenched companies.

Although former President Trump made some major strides to enhance competition, which actually helped the poor and middle-class, the Biden-Harris Administration is in the process of reversing Trump’s accomplishments by significantly increasing regulations and taxes, thereby limiting the middle-class’s ability to start new successful businesses; they are unable to compete with the entrenched large corporations, which have huge armies of attorneys and accountants necessary in an over-regulated and over-taxed environment.

Furthermore, most senior executives of large corporations are Democrats! Why? Because they do not want competition; they want to maintain their highly lucrative salaries & benefits; and they are able to include the higher taxes and cost of regulations in the products and services provided by their companies.

Only people pay taxes, not corporations. The corporate income tax and regulatory environment is a hidden stealth tax that negatively impacts poor and middle-class Americans and stifles the creation of small businesses.

If enough Americans begin to understand this BIG LIE and the fraud perpetrated against them, the politicians, whether they are outright lying or just ignorant, just might be voted out of office.

### **Great Businesses to Buy Now**

To become and STAY financially independent, you only need to do three things: (1) Pay yourself first; (2) live below your means; and (3) invest in DRIP’s using *Einstein’s Theory of Compound Interest*. Even if you became a multi-millionaire speculating in crypto-currencies and other speculative ventures like “blue gas” technology, statistically, you would be bankrupt within 5-

years, if you did not follow the three principles outlined above. For further details, please read *The Best Kept Secret to Financial Freedom* and *Unlock The 4-Doors to Financial Independence*; both are available through our website, [www.jeffersoniangroup.com](http://www.jeffersoniangroup.com) and Amazon.com. **For all of you who purchased our books, we thank you; and would appreciate a review!**

In January 2016 we identified twelve Great Businesses (DRIP Stocks) that should be in everyone's portfolio; with the release of *The Best Kept Secret to Financial Freedom* in 2017, we increased our recommendations to twenty-six (26) Great Businesses. Today, we are monitoring a total of 44 Great Businesses (DRIP Stocks) and considering an addition of 6 more.

Of the 12 Great Businesses that we believe should be in everyone's portfolio, the following *U.S. Dividend Champions/Aristocrats* (paid and raised dividends for at least 25-years) meet our parameters and are current buys:

- Exxon Mobil Corp (XOM) - \$56.81, yield = 6.06%, Paid & Raised Dividends for 38-years
- The Coca-Cola Company (KO) - \$53.16, yield = 3.12%, Paid & Raised Dividends for 58-years

The following additional *U.S. Dividend Champions* are also good buys right now:

1. Weyco Group Inc (WEYS) - \$22.58, yield = 4.25%, Paid & Raised Dividends 39-years
2. Kimberly-Clark Corp (KMB) - \$139.09, yield = 3.28%, Paid & Raised Dividends 49-years
3. 3M Company (MMM) - \$194.92, yield = 3.02%, Paid & Raised Dividends 62-years
4. Walgreen Boots Alliance (WBA) - \$53.70, yield = 3.54%, Paid & Raised 45-years
5. **International Business Machines (IBM)** - \$134.64, yield = 4.80%, **Paid & Raised 25-years**

We first recommended IBM in 2017 when it was a *Contender* and had paid & raised its dividend for 21-years. It continued to pay & raise its dividend throughout 2020 during COVID-19 and became a *U.S. Dividend Champion*!

*Contenders* are companies that have paid and raised their dividends for 10-to-24 years. The following *Contenders* are priced right for acquisition:

1. Omega Healthcare Investors (OHI) - \$37.23, yield = 7.25%, Paid & Raised 18-years
2. Enterprise Products Partners (EPD) - \$22.50, yield = 7.97%, Paid & Raised 24-years
3. Cardinal Health Inc (CAH) - \$62.43, yield = 3.11%, Paid & Raised 24-years
4. Lazard Limited (LAZ) - \$43.57, yield = 4.34%, Paid & Raised 13-years
5. ONEOK Inc (OKE) - \$50.15, yield = 7.40%, Paid & Raised 18-years
6. Prudential Financial Inc (PRU) - \$91.87, yield = 5.08%, Paid & Raised 12-years
7. **Main Street Capital Corp (MAIN)** - \$39.45, yield = 6.28% **Paid & Raised 10-years**

MAIN became a *Contender*, continuing to pay & raise dividends for 10-years throughout 2020 during the China Virus/COVID-19 lockdowns.

The next category of dividend payers are *Challengers*, which have paid and raised their dividends for 5-to-9 years. In today's market, we like the following companies:

- AbbVie Inc (ABBV) - \$106.72, yield = 4.87%, Paid & Raised 9-years on average 15.5%
- NextEra Energy Partners (NEP) - \$70.92, yield = 3.48%, Paid & Raised 8-years; 5-yrs on average 60%; last 3-yrs on average 14.9% per year

ABBV is a spinoff of another Great Business that paid dividends for over 25-years and has continued to pay & raise its dividend since spinoff, now 9-years.

**Another important criterion** used to select our stocks is the average annual increase in the dividends paid each year, i.e., it is not enough that a Dividend Aristocrat—an S&P 500 Company that has paid and raised its dividend for at least 25-years—has consistently paid and raised its annual dividend, ideally, **it should also have raised it by 8%-to-10% or more per year**. For example, if a Dividend Champion/Aristocrat is paying a current dividend of over 5% but, its average annual increase has only been about 4%, rather than 8%-to-10% or more, we would most likely not recommend the DRIP stock.

Here's why: In 25-years, a stock that yields 3% and increases its dividend by 10% per year, will have an annual dividend greater than the original investment of approximately 350%, whereas a DRIP stock acquired with a yield of 5.42%, which increases by just 4% per year, would only have a dividend payable of much less than the original investment equal to about 21%.

To take full advantage of *Einstein's Theory of Compound Interest* and become financially independent in 10-to-15 years, you must acquire DRIP's that raise their annual dividends by 8%-to-10% or more per year. Our portfolio of DRIP's, on average, increase their annual dividends by more than 10% each year.

### **How to Implement This Program:**

Our recommended portfolio now includes over 40 DRIP stocks. As of March 30, 2021, only 16 meet our criteria, i.e., 3% or greater yield when acquired. If you have investment capital of \$200,000 or more, it would be appropriate to purchase 100 shares of each of these 16 stocks which would cost about \$118,000; the annual yield would be 4.38%.

You could increase this annual yield to 5.86% by buying 50 shares of 14 stocks and 500 shares each of OHI, EPD, OKE, and MAIN.

If you have at least 100 shares of the 38-to-43 DRIP stocks recommended prior to this newsletter, you can add any or all the 16 stocks listed above that you may like.

By the time you get this newsletter, the prices will have changed but, you should buy the companies you desire, assuming the dividend yield at the time of your purchase is above or near 3.00%.

Some of you may already own many of these stocks; feel free to add to them. First purchase the stocks you own less of. Some of you may not own any of these great businesses. Some of you may have \$100,000 to invest while others may only have \$1,000. Using a discount broker (e.g., E\*TRADE, Schwab, TD Ameritrade, Fidelity, etc.), whether you buy 10 shares or 1,000 shares, the brokerage fees will be less than ten dollars! In addition, **once you acquire any of these DRIP's, you should instruct your discount broker to automatically reinvest the dividends.** The reinvested dividends should be done with no additional cost.

If you are just starting this investment program, focus on the *U.S. Dividend Champions* listed above. The order of our listing has nothing to do with one company being better than the others; they are all great businesses! If you have enough investment capital to purchase 20-to-100 shares of several companies, then you should consider doing so. Your goal might be to acquire 100 shares of each *U.S. Dividend Champion* before moving on to any of the other recommendations.

If, for example, you only have \$1,000 to invest, buy 15-to-20 shares of either The Coca-Cola Company (KO) or Weyco Group Inc (WEYS); then buy more shares the next month until you have at least 100 shares. Then look at another U.S. Dividend Champion/Aristocrat like Exxon Mobil Corp (XOM), McDonald's Corp (MCD), Johnson & Johnson (JNJ).

Another option for younger first-time investors might be to invest \$100 per week or \$400 per month. There is nothing wrong with just buying 5-to-10 shares of several stocks per week. Also, if you can only afford \$50 per week, invest the accumulated amount of \$200 every 4-weeks.

Start investing in these great businesses... NOW!

Remember, the only way to become financially independent—assuming you do not win the lottery or strike it rich speculating in crypto-currencies or blue gas technology (see Issue 23, dated January 31, 2020 regarding The Electric Car Fad – The End of Tesla)—is to acquire assets (e.g., DRIP's) that pay you enough passive income to cover and exceed your lifestyle expenses. Even if you are lucky and become a multi-millionaire overnight, you will need to invest in DRIPs to maintain your financial independence.

**When you buy a DRIP, you are buying it for life.** At some point in the future, you will no longer reinvest ALL the dividends; you will live off the dividends.

## The Crypto Corner

About one year ago, Bitcoin had dropped from over \$19,000 per coin in 2017 to about \$9,400; today, it has risen to over \$58,000! Practically every newsletter writer is now offering, for an additional annual paid subscription, advice on which coins/tokens will make you a fortune. Many such newsletter writers are treating crypto-currencies as an investment rather than a speculation; they set limits on the amount to pay and want you to get in-and-out of each crypto coin/token with, say, a 500% profit, e.g., \$1,000 paid turns into \$5,000 in several months, maybe a year.

Our approach is different. We believe this to be a speculation and desire a return of at least 14,441%, e.g., \$1,000 paid for, say, XLM turns into \$144,410 as happened in 2017.

Bitcoin has been around for about a decade. In May of 2010, Bitcoin was under 1-cent, got to 8-cents by July 2010 and its price increased to over \$19,000 per coin in 2017; after dropping back down to \$9,400 and lower about a year ago, today it is trading around \$59,000 per coin. Bitcoin has created many multi-millionaires since its inception; many had to wait years, even a decade to reach their millionaire status.

Today, if you visit CoinMarketCap (<https://coinmarketcap.com/>), there are 9,109 cryptocurrencies, which continue to increase almost daily. A great majority of these coins or tokens can be purchased for less than One Dollar (\$1.00) per coin/token. So, for \$200-to-\$1,000, an average person can participate in an opportunity that normally comes around once in a lifetime. Such opportunities are normally reserved for accredited investors who are willing to fund such speculative ventures with \$10,000-to-\$100,000 or more; and, once the accredited investors put up the money, they no longer have any control over it, unlike the cryptocurrency market.

In 2017, if you had paid \$1,000 at the beginning of the year for one of the following coins/tokens, here's what you would have made 12-months later as of December 31, 2017:

1. Ripple (XRP) - \$360,180
2. NEM (XEM) - \$298,420
3. Ardor - \$168,090
4. Stellar Lumens (XLM) - \$144,410
5. Dash - \$92,650
6. Ethereum (ETH) - \$91,620

7. Golem - \$84,340
8. Binance Coin - \$80,610
9. Litecoin - \$50,460
10. OmiseGo (OMG) - \$33,150
11. Bitcoin - \$13,180

As one commentator pointed out, Ripple (XRP) gained more in one year than Apple has in its entire existence. This opportunity to get in on the ground floor with minimal financial commitment—money that you normally waste and can afford to lose—just may turn out to be a very monumental success or NOT. Furthermore, it may take years, even a decade before another extraordinary year like 2017 comes along. In addition, we may have selected the wrong coins/tokens and lose everything.

I have acquired a dozen coins/tokens that are listed in our newsletter, Issue 22-2019. Eleven of the 12 have increased in value; only Time New Bank (TNB) has declined but is still ranked #969 out of 4,582 coins/tokens followed by CoinMarketCap. I am up about 266%. However, I am so far from our goal of at least \$100,000 profit that I am not ready to sell any of our coins/tokens today.

We like the following six coins/tokens that are reasonably priced and available on the KRAKEN EXCHANGE ([www.kraken.com](http://www.kraken.com)) and/or Coinbase ([www.coinbase.com](http://www.coinbase.com)):

1. Stellar Lumens (XLM) - \$0.4388, Market Cap #15
2. Cardano (ADA) - \$1.20, Market Cap #6
3. Polygon (MATIC) - \$0.3637, Market Cap #61 (recommended by Stansberry Research)
4. Loopring (LRC) - \$0.5495, Market Cap #116
5. OmiseGo (OMG) - \$7.21, Market Cap #90
6. OX (ZRX) - \$1.87, Market Cap #73

We still like Ripple (XRP), but trading on exchanges in the United States (e.g., KRAKEN, Coinbase) has been halted because of the SEC's lawsuit against the parent company of Ripple. However, word has it that trading may begin in the not to distant future, due to a counter lawsuit by an attorney who, like many of us, have purchased Ripple.

I have six coins/tokens on the BINANCE EXCHANGE, which was closed on September 12, 2019 to all United States based individuals and corporations. For existing accounts at BINANCE, we were able to hold our coins/tokens but, we cannot trade them.

Over the past 30-days, I have accessed my account several times and by clicking-on Verify Identity, I was able to get to my Dashboard and see my holdings. Three of my six coins/tokens



are not available on an exchange that allows U.S. citizens to trade. However, it appears that I could transfer the three other coins held with Binance to either KRAKEN or Coinbase but, until I am ready to take profits and convert to Cash, I intend to leave what I have at Binance.

Ultimately, we will have to send our coins/tokens with Binance to another U.S. friendly exchange like KRAKEN and Coinbase; and, for those coins/tokens not available at KRAKEN or Coinbase, we may have to temporarily transfer some to a hardware wallet like the Ledger Nano S; or establish another account that accepts the respective coins/tokens.

If you have not already done so, we would encourage everyone to take advantage of one of the greatest opportunities that has come around in our lifetime, which can be done with as little as \$200-to-\$1,000 by opening an account with the KRAKEN EXCHANGE ([www.kraken.com](http://www.kraken.com)) or Coinbase ([www.coinbase.com](http://www.coinbase.com)). Although not as easy as opening an online brokerage account, it has become much easier to open and fund a cryptocurrency account; just follow the instructions at KRAKEN or Coinbase.

I recently opened an account with Coinbase because I did not want to go to the Bank and send a wire transfer to KRAKEN, i.e., Coinbase allows you to provide your Bank information and accepts ACH-type transfers without requiring a wire transfer. In the future, KRAKEN may do the same since it recently chartered a Bank in Wyoming, which is not yet operational.

Please understand that a purchase of one or more cryptocurrencies is not an investment; it is pure speculation. Therefore, you should only pursue this opportunity with money that you are prepared to lose.

## **Paycheck Protection Program and Employee Retention Credit Update**

### **Application Deadline Extended**

The Paycheck Protection Program application deadline was formally changed from March 31 to May 31, 2021 on Tuesday, March 23, 2021 when President Joe Biden signed the extension into law. Please refer to our Newsletter Issue 31-2021, dated February 13, 2021, for additional details on who qualifies and the application process.

This extension, according to the AICPA, should provide “the SBA time to address significant loan application process challenges, including confusing validation and error codes, delayed guidance, and changes to the PPP loan amount calculation for self-employed borrowers.”

There were 190,000 applications held up in the SBA’s PPP platform due to unresolved error codes related to validation checks instituted by the SBA to help prevent fraud.

Although no additional funding has been provided, it appears that there is at least \$94 billion left and this should last through mid-April. So, if you haven't done so and you qualify, get your application completed immediately; if your application has been completed but not funded, keep after your Bank/Lender for status updates!

### **PPP Loan Forgiveness Application Deadline**

Because of the issues surrounding the applications for PPP2, this is not the time to apply for Loan Forgiveness for the first round of the Paycheck Protection Program funds received most likely between mid-April and early May 2020.

To determine the last day available to apply for Loan Forgiveness, you must first count 24-weeks from the date you received the funds. For example, if you received the funds on May 4, 2020, 24-weeks later is October 19, 2020. You then have 10-months from October 19, 2020 or up until August 19, 2021 to apply for Loan Forgiveness. Most of my clients do not have to apply for Loan Forgiveness until sometime in August of 2021. Accordingly, at this time, the application process should begin about 30-days in advance, so I have marked my calendar to begin the application process during the first week of July 2021.

You should use the above example to calculate your deadline to file for loan forgiveness and for now, mark your calendar to begin the process 30-days prior to the deadline, which will most likely be sometime in August 2021 or later.

### **Employee Retention Tax Credit (ERTC) Update**

In newsletter Issue 31-2021, dated February 13, 2021, we explained who qualifies for the new ERTC available for small businesses for the first and second quarters in 2021; the first quarterly reports are due at the end of this month, April 30, 2021, so, if you qualify, make sure your Payroll Service understands how to proceed before you file your Form 941 with the IRS on/or before April 30, 2021.

**Refer your Payroll Service to IRS Notice 2021-23**, which was just recently issued. As a result of these changes, eligible employers can claim a refundable tax credit against the employer share of Social Security tax equal to 70% of the qualified wages they pay to employees after December 31, 2020 through June 30, 2021. Qualified wages are limited to \$10,000 per employee per calendar quarter in 2021. The maximum ERTC credit available is \$7,000 per employee per calendar quarter, for a total of \$14,000 for the first two quarters of 2021.

Further, employers can access the ERTC funds for the first and second quarters of 2021 before filing their employment tax returns (Form 941) by reducing employment tax deposits.

Employers can request advance payment of the funds, subject to limitations, on Form 7200, after first reducing their employment tax deposits.

## **The Real Purpose for the Income Tax**

In 1945, then Chairman of the New York Federal Reserve Bank of New York, Beardsley Ruml, made a speech to the American Bar Association entitled, *Taxes for Revenue are Obsolete*. According to Ruml, and understood by those familiar with Austrian Economics, the primary purpose of the federal income tax is to redistribute income and wealth; and “in subsidizing or penalizing various industries and economic groups.” Our Founders understood this; that is why we had no income tax while they were alive; and no permanent income tax until the passage of the 16<sup>th</sup> Amendment in 1913, which authorized Congress the authority to “lay and collect taxes on incomes, from whatever source derived.”

As Ruml explained, since the U.S. government had a central bank, i.e., the Federal Reserve; and, since the U.S. dollar, for domestic purposes, was not convertible into gold or any other commodity, the U.S. government no longer had to enter “the domestic money market” to pay its bills or fund its operations. Unlike the fifty States, which cannot print money, the federal government has unlimited access to the funds it needs and therefore, can do whatever it so desires.

The real purpose of the federal income tax, as explained by Bob Livingston, “is to regulate consumption, control behavior, control and redistribute wealth, and compile dossiers on all citizens. The Form 1040 is the “taxpayer’s dossier.”

We no longer live in “the land of the free.” The passage of the 16<sup>th</sup> Amendment in 1913, which was contrary to the Founding generation’s principles of natural rights “to Life, Liberty and the Pursuit of Happiness,” violated our individual rights to ourselves, to our labor, and to our property.

With the ratification of the 13<sup>th</sup> Amendment on December 6, 1865, we abolished slavery. Forty-eight years later, we instituted slavery of the entire population with an unconstitutional direct tax on labor.

As stated by Frank Chodorov in 1954, “We cannot restore traditional American freedom unless we limit the government’s power to tax. No tinkering with this, that, or the other law will stop the trend toward socialism. We must repeal the Sixteenth Amendment.”

The more Americans begin to understand the fraud associated with the income tax, the closer we come to abolishing the IRS, replacing the income tax with a consumption tax, and repealing the 16<sup>th</sup> Amendment, limiting the power of the U.S. government to tax and enslave us.<sup>2</sup>

Dum Spiro Spero—While I breathe, I hope.

Slainte mhath,

Robert G. Beard Jr., C.P.A., C.G.M.A., J.D., LL.M.

### **SIGN UP FOR OUR ELECTRONIC VERSION OF THIS NEWSLETTER**

Please go to our website, [www.jeffersoniangroup.com](http://www.jeffersoniangroup.com), and sign up for our electronic version of this newsletter.

The benefits of doing so are: (1) You will receive the newsletter sooner; and (2) you will be able to click-on the various links within the electronic version so that you may access related information directly.

Also, we will be posting regular Blogs on our website; by signing up and providing your email address, you will be able to receive our Blogs on a timely basis.

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<sup>2</sup> Please go to our website, [www.jeffersoniangroup.com](http://www.jeffersoniangroup.com), at “Abolish IRS” and sign our petition. For further information, please read our book, *The U.S. Individual Income Tax is Incompatible with a Free Society*.