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IRS Updates Digital Signature Guidance

The IRS has updated two prior memoranda with respect to the use of electronic or digital signatures. Memorandum [NHQ-01-1121-0004](#) extends temporary deviations that allow IRS employees to accept images of signatures and digital signatures on documents related to the determination or collection of tax liability and to send or receive documents to or from taxpayers using email with encrypted attachments when no other approved electronic alternative is available. Memorandum [NHQ-10-1121-0005](#) allows taxpayers and representatives to use electronic or digital signatures when signing certain forms (including Form 1042-S, certain Form 706 series and certain Form 1120 series) that currently require a handwritten signature. Both memoranda extend the expiration date through Oct. 31, 2023.

IRS Announces Nonacquiescence to 8th Circuit's Holding in *Mayo Clinic vs. United States*

The IRS announced in [AOD 2021-04 \(2021-47 IRB 725\)](#) that it would not acquiesce to the Eighth Circuit's holding in *Mayo Clinic v. United States*, 997 F.3d 789 (8th Cir. 2021) that invalidated Treas. Reg. Section 1.170A-9(c)(1)'s requirement that the primary function of an educational organization described in Section 170(b)(1)(A)(ii) must be the presentation of formal instruction. Section 170 permits a tax deduction of 50% or 30% for charitable contributions depending on the type of organization to whom the contribution is made. (Section references are to the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder.) A taxpayer is able to take the 50% charitable deduction with respect to contributions made to "an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on." In *Mayo Clinic*, the court found that Treas. Reg. Section 1.170A-9(c)(1) adds unreasonable conditions to the statutory requirements and that such addition has no "long history of congressional acceptance."



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