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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

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MEMORANDUM FOR THERESA PEPPELL
PROGRAM ANALYST
S:C:CP:RC:SCC

FROM: James C. Gibbons, Branch Chief

CC:PA:APJP:1

SUBJECT: IRS Acceptance of FAX Signature

This is in response to your requests for advice concerning the reliability of FAXed signatures for purposes of authenticating and verifying a taxpayer's 941c and 843 forms (Request 46), and corrected/amended Schedule H for Form 1040 or Form 1041 (Request 47).

Discussion

Section 6061(a) of the Internal Revenue Code (Code) provides that except as otherwise provided by subsection (b) (relating to signature waivers) and sections 6062 and 6063 (relating to corporation returns and partnership returns, respectively), any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall be signed in accordance with forms or regulations prescribed by the Secretary.

Section 6061(b) states that the Secretary shall develop procedures for the acceptance of signatures in digital or other electronic form.¹

Section 301.6061-1(b) of the Income Tax Regulations (regulations) provides that the Secretary may prescribe forms, instructions, or other appropriate guidance concerning the method of signing any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations.

¹For purposes of this memorandum, FAXing is a process in which a FAX machine electronically scans an original document, reduces the document to a series of digital signals, and transmits those signals over telephone lines to a receiving machine that reassembles the signals into a reproduction of the original document. The signature on a FAX reproduction is likewise a reproduction of the "original" signature.

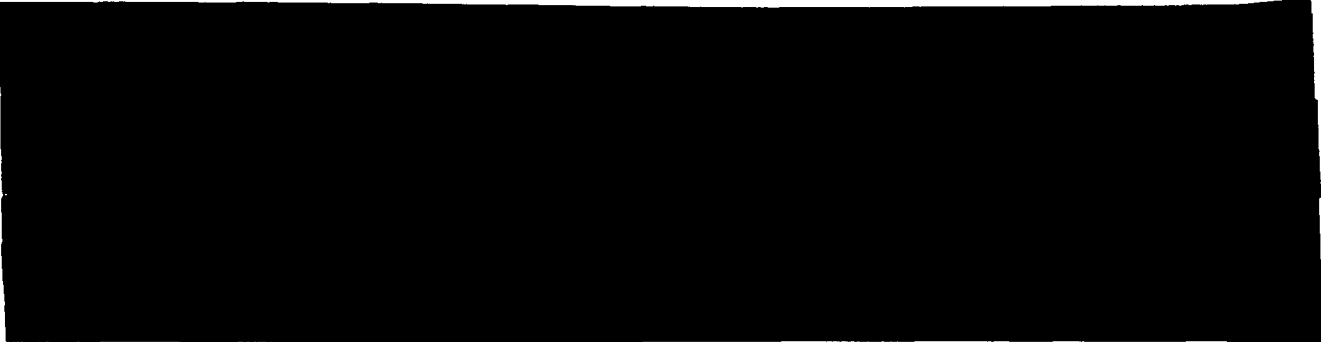
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Section 6062 of the Code provides that the income tax return of a corporation shall be signed by the president, vice-president, treasurer, assistant treasurer, chief accounting officer, or any other officer duly authorized so to act.

Section 6065 specifies that except as otherwise provided by the Secretary, any return, declaration, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall contain or be verified by a written declaration that it is made under the penalties or perjury.

Sections 6061 and 6065 of the Code and the regulations thereunder give the Secretary very broad discretion to prescribe the method of signing any return, statement, or other document. The purpose of the signature requirement set forth in sections 6061 and 6065 is to (1) authenticate the return by identifying it as the signer's and (2) verify or confirm the truth, correctness and completeness of the return. In order that the Service accept FAXed signatures, it must be satisfied that the FAXed signature reliably authenticates and verifies the taxpayer's return. Thus, the FAXed signature must assure the Service that the taxpayer, and not another party, signed the return.



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If you have any further questions, please contact Lydia R. Taylor at (202) 622-4910.