***Amerada Hess Corp. v. Commissioner, 65 T. C. 1177 (1976)***

The Tax Court must comply with the mandate of an appellate court without discretion to delay the entry of decisions when the mandate is clear and the parties agree on computations.

**Summary**

In Amerada Hess Corp. v. Commissioner, the Tax Court was faced with whether it could delay entering a decision in line with the Third Circuit's mandate due to a potential rehearing in a related case. The court held that it lacked discretion to delay, emphasizing the mandatory nature of appellate court directives. The case arose from a tax dispute where the Third Circuit had reversed the Tax Court's initial decision, mandating a specific outcome. The Tax Court's ruling underscores the importance of adherence to appellate mandates, even when potential future legal actions in related cases might affect the outcome.

**Facts**

The Tax Court had initially determined tax deficiencies for Amerada Hess Corp. for 1964 and 1965. The Third Circuit reversed this decision on May 13, 1975, and issued a mandate on December 22, 1975, directing the Tax Court to enter judgments in accordance with its opinion. The parties agreed on the computations showing no tax deficiency for 1964 and an overpayment for 1965. The Commissioner sought a continuance pending the outcome of a related case, White Farm Equipment Co. , which was still before the Supreme Court.

**Procedural History**

The Tax Court initially found tax deficiencies for Amerada Hess Corp. for 1964 and 1965. The Third Circuit reversed on appeal, and the Supreme Court denied certiorari. The Third Circuit's mandate directed the Tax Court to enter judgments consistent with its decision. The Commissioner moved for a continuance, while Amerada Hess sought immediate entry of the decision. The Tax Court heard these motions and decided in favor of Amerada Hess.

**Issue(s)**

1. Whether the Tax Court has discretion to delay the entry of decisions pursuant to a clear appellate court mandate when the parties agree on computations.

**Holding**

1. No, because the Tax Court's duty to enter decisions in accordance with an appellate court's mandate is ministerial and not discretionary.

**Court's Reasoning**

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The Tax Court reasoned that it must comply with the Third Circuit's mandate without discretion to delay, citing the necessity of adhering to appellate directives. The court highlighted that its role under the mandate was purely ministerial, stating, "Obeying a higher court's mandate and proceeding in accordance with it are not matters for discretion. " The court also noted that the decisions would become final under section 7481(a)(3)(B) 30 days after entry, and it lacked authority to reopen a final decision absent fraud. The court rejected the Commissioner's argument for a continuance based on potential future actions in the related White Farm case, emphasizing that such possibilities did not constitute supervening circumstances allowing deviation from the mandate.

**Practical Implications**

This decision reinforces the principle that lower courts must strictly adhere to the mandates of higher courts, even when potential future legal developments in related cases might impact the outcome. Practically, attorneys must understand that once an appellate court issues a clear mandate, lower courts have no discretion to delay or alter the execution of that mandate. This ruling impacts legal practice by emphasizing the finality of appellate decisions and the limited avenues for reopening cases once decisions are entered. It also affects taxpayers and the IRS by clarifying the process for resolving tax disputes after appellate review, potentially influencing how parties approach settlement and litigation strategies in anticipation of appellate outcomes.

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