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Guidance issued on accounting method changes under repair regs.

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The IRS on Friday issued long-awaited guidance on accounting method changes under the so-called repair regulations, which govern the treatment of expenditures incurred in acquiring, producing, or improving tangible assets ([Rev. Proc. 2014-6](#)).

Several sections of the repair regulations require taxpayers to secure the IRS's consent before changing to an accounting method provided for in the regulations. The revenue procedure generally sets rules for obtaining automatic consent to change to those accounting methods provided in the repair regulations.

The revenue procedure both amends existing accounting method change procedures found in [Rev. Proc. 2011-14](#) and provides new procedures consistent with the repair regulations. It also provides for automatic consent for changes to a reasonable method under Sec. 263A, provided the taxpayer meets certain conditions. The revenue procedure provides tables with the designated automatic accounting method change numbers for various accounting method changes.

The final tangible property regulations were issued in September 2013 ([T.D. 9636](#)) and were effective Jan. 1, 2014, although taxpayers are allowed to apply them to tax years beginning on or after Jan. 1, 2012. The revenue procedure is effective Jan. 24, 2014. However, if a taxpayer requested consent for a change in accounting method described in [Rev. Proc. 2014-6](#), and the Form 3115, *Application for Change in Accounting Method*, is pending with the IRS national office on Jan. 24, 2014, the taxpayer can choose to make the change under [Rev. Proc. 2014-6](#) if the taxpayer is otherwise eligible under the revenue procedure.

[Rev. Proc. 2014-6](#) supersedes [Rev. Proc. 2012-19](#), which was released following the issuance of the temporary and proposed repair regulations in 2011. If a taxpayer had properly filed an application under [Rev. Proc. 2012-19](#) with the IRS office in Ogden, Utah, to make a change in accounting method and the application was either postmarked or received by the IRS on or before Jan. 24, 2014, the taxpayer generally will make the change under [Rev. Proc. 2012-19](#). However, in that situation, the taxpayer can choose to file an amended application under [Rev. Proc. 2014-6](#) by following procedures outlined in the revenue procedure.

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