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IRS Releases Revenue Procedure 2018-60

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On November 29, the Internal Revenue Service (IRS) issued Revenue Procedure 2018-60, providing automatic accounting method changes to comply with Section 451(b), as amended by the Tax Cuts and Jobs Act (TCJA).

Section 451(b) requires accrual method taxpayers to recognize amounts in revenue no later than when the item is taken into account in the taxpayer's applicable financial statements (AFS). Revenue Procedure 2018-60 provides the automatic procedures for taxpayers to comply with the TCJA amendments to Section 451(b). Prior to the release of this guidance, such changes to a method of accounting were often considered non-automatic.

Revenue Procedure 2018-60 also provides procedures for certain qualifying taxpayers to make method changes to comply with 451(b) without filing a Form 3115, *Application for Change in Accounting Method*.

Revenue Procedure 2018-60 is effective for tax years beginning after December 31, 2017.

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