Deloitte Tax looks at procedural guidance to comply with section 174 rules

The Treasury Department and Internal Revenue Service on December 12 released Rev. Proc. 2023-8, which provides procedural guidance for taxpayers to make an automatic change in method of accounting for specified research and experimental expenditures in order to comply with the mandatory capitalization requirement under section 174 effective for tax years beginning after December 31, 2021. (The mandatory capitalization requirement was enacted as part of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97).)
URL: https://www.irs.gov/pub/irs-drop/rp-23-08.pdf

Rev. Proc. 2023-8 only provides accounting method procedural guidance and does not address any substantive issues in complying with the section 174 mandatory capitalization requirement.

Find out more

An alert discussing the guidance is available from Deloitte Tax LLP.
URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/TNV/221216_3_suppA.pdf

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