

IRS News Release

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IRS and Treasury Select an Issue for Industry Issue Resolution Program

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WASHINGTON — The Internal Revenue Service and the Treasury Department today announced that they have accepted a request for guidance under the IRS' Industry Issue Resolution (IIR) program regarding the capitalization rules as used by restaurants.

The request seeks guidance on the capitalization rules including:

- application of unit of property rules
- refresh and remodel expenses
- rules for general maintenance and repair expenses

The objective of the IIR program is to resolve business tax issues common to significant numbers of taxpayers through new and improved guidance. In past years, issues have been submitted by associations and others representing both small and large business taxpayers, resulting in tax guidance that has affected thousands of taxpayers.

For each issue selected, an IIR team of IRS and Treasury personnel gather relevant facts from taxpayers or other interested parties affected by the issue. The goal is to recommend guidance to resolve the issue. This benefits both taxpayers and the IRS by saving time and expense that would otherwise be expended on resolving the issue through examinations.

At any time, business associations and taxpayers may submit tax issues that they believe could be resolved through the IIR program to IIR@irs.gov. IIR selection criteria and submission procedures are outlined in [Revenue Procedure 2003-36](#), available at IRS.gov.