



# Internal Revenue Service

DEPARTMENT OF THE TREASURY

## LB&I Concept Unit

<b>Unit Name</b>	Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
<b>Primary UIL Code</b>	00263A.03-00	Capitalization of Costs

<b>Library Level</b>	<b>Title</b>
<b>Knowledge Base</b>	Corporate/Business Issues & Credits
<b>Shelf</b>	Inventory and IRC 263A
<b>Book</b>	UNICAP 263A
<b>Chapter</b>	Costs Subject to IRC 263A

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# General Overview

## Alternative Method for Determining Section 471 Costs for UNICAP Purposes

This Practice Unit explains the changes in section 471 costs for a taxpayer that qualifies to use the alternative method under the final IRC 263A Treasury Regulations (Treas. Reg.), which are effective November 20, 2018. See Treas. Reg. 1.263A-1(l)(5). The new definitions of section 471 costs and additional section 263A costs apply to taxable years beginning on or after November 20, 2018.

The alternative method allows certain taxpayers to use their financial statement method of accounting to determine amounts for section 471 costs in ending inventory in accordance with Treas. Reg. 1.263A-1(d)(2)(iii). The alternative method is designed to simplify the taxpayer's inventory accounting requirements for tax. The taxpayer includes the differences in the financial statement (book) and tax amounts of section 471 costs as additional section 263A costs.

Note: For any taxable year beginning after December 31, 2017, a small business taxpayer does not have to apply the rules in IRC 263A if it meets the gross receipts test in IRC 448(c). See IRC 263A(i). A small business taxpayer is one who has average annual gross receipts for the three prior tax years of \$25 million or less (adjusted for inflation). The taxpayer must determine its small business exemption on a yearly basis.

# Detailed Explanation of the Concept

## Alternative Method for Determining Section 471 Costs for UNICAP Purposes

Analysis	Resources
<p>An eligible taxpayer may use an alternative method for tax years beginning on or after November 20, 2018, under Treas. Reg. 1.263A-1(d)(2)(iii) to determine section 471 costs for IRC 263A purposes.</p> <p>Instead of determining ending inventory amounts per the general rule under Treas. Reg. 1.263A-1(d)(2)(i) (determining “the amounts of section 471 costs by using the amounts of such costs that are incurred in the taxable year for federal income tax purposes”), under the alternative method eligible taxpayers may use inventory costs as reported in its financial statements using its financial statement methods of accounting. The taxpayer’s financial statement must be one of the following:</p> <ul style="list-style-type: none"> <li>▪ Financial statements required by the Securities and Exchange Commission (SEC)</li> <li>▪ Audited financial statements certified by CPAs or similarly qualified independent professionals used for such things as:               <ul style="list-style-type: none"> <li>– Credit purposes,</li> <li>– Reporting to shareholders, partners, or similar persons, or</li> <li>– Any other substantial non-tax purpose.</li> </ul> </li> <li>▪ Financial statements required by state or federal governments or agencies, excluding               <ul style="list-style-type: none"> <li>– Income tax returns,</li> <li>– SEC-required financial statements,</li> <li>– IRS-required financial statements.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ IRC 446</li> <li>▪ IRC 471</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(i)</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(iii)</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(iii)(A)</li> <li>▪ Treas. Reg. 1.263A-1(d)(6)</li> </ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p>If the taxpayer does not have a financial statement described above, the taxpayer cannot use the alternative method, and must use Treas. Reg. 1.263A-1(d)(2)(i) to determine ending inventory amounts.</p> <p>The use of the alternative method to determine the amounts of section 471 costs is the adoption of, or a change in, a method of accounting under IRC 446, see Change in Accounting Method discussion later in this Practice Unit.</p> <p><u>Eligible Taxpayer</u></p> <p>To qualify to use negative adjustments or the alternative method to determine additional section 263A costs, a taxpayer must use one of the following methods to determine additional section 263A costs:</p> <ul style="list-style-type: none"> <li>▪ The simplified production method under Treas. Reg. 1.263A-2(b) and the taxpayer has average annual gross receipts for the three previous taxable years that do not exceed \$50,000,000,</li> <li>▪ The modified simplified production method under Treas. Reg. 1.263A-2(c) or</li> <li>▪ The simplified resale method under Treas. Reg. 1.263A-3(d).</li> </ul> <p><u>Negative Adjustments</u></p> <p>An eligible taxpayer, not using the alternative method, may, but does not have to, include negative adjustments (i.e., book-to-tax adjustments) in additional section 263A costs to remove section 471 costs that the taxpayer is not required to capitalize, or is not permitted to capitalize under IRC 263A.</p>	<ul style="list-style-type: none"> <li>▪ IRC 263A</li> <li>▪ IRC 446</li> <li>▪ IRC 471</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(i)</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(iii)</li> <li>▪ Treas. Reg. 1.263A-1(d)(3)(ii)(B)</li> <li>▪ Treas. Reg. 1.263A-2(b)</li> <li>▪ Treas. Reg. 1.263A-2(c)</li> <li>▪ Treas. Reg. 1.263A-3(d)</li> </ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>Negative Adjustments (cont'd)</u></p> <p>A taxpayer using the alternative method must include as additional section 263A costs all negative and positive adjustments for the differences in the book and tax amounts of section 471 costs.</p> <p>A taxpayer using the alternative method must apply the alternative method to all section 471 costs.</p> <p><u>Treatment of Costs Not Permitted to Capitalize</u></p> <p>A taxpayer using the alternative method must remove all section 471 costs that IRC 263A does not permit it to capitalize such as:</p> <ul style="list-style-type: none"><li>▪ Costs that are not deductible in computing taxable income for any taxable year, and</li><li>▪ Costs not properly allocable to the property it produces or acquires for resale.</li></ul> <p>The taxpayer removes these costs by including negative adjustments in additional section 263A costs.</p>	<ul style="list-style-type: none"><li>▪ IRC 263A</li><li>▪ IRC 471</li></ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>Book-to-Tax Adjustments</u></p> <p>A taxpayer using the alternative method must include as additional section 263A costs all negative and positive adjustments that IRC 263A requires due to differences in the book and tax amounts of its section 471 costs including:</p> <ul style="list-style-type: none"> <li>▪ De minimis direct costs (explained next), and</li> <li>▪ Certain variances and under or over-applied burdens (see Safe Harbor Method).</li> </ul> <p>A taxpayer that uses a burden rate or standard cost method determines the negative and positive adjustments required due to differences in book and tax amounts:</p> <ul style="list-style-type: none"> <li>▪ Comparing the actual amount of the cost incurred in the taxable year for federal income tax purposes,</li> <li>▪ To the actual amount of the cost incurred in the taxable year in its financial statement using its financial statement methods of accounting,</li> <li>▪ Regardless of how the taxpayer treats its variances or under or over-applied burdens.</li> </ul>	<ul style="list-style-type: none"> <li>▪ IRC 263A</li> <li>▪ IRC 471</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(ii)</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(iii)(B)</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(iv)</li> <li>▪ Treas. Reg. 1.263A-1(d)(2)(v)</li> <li>▪ Treas. Reg. 1.263A-1(d)(3)(ii)(B)</li> </ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
A taxpayer that determines the amounts of section 471 costs under the alternative method may not include any financial statement write-downs, reserves, or other financial statement valuation adjustments when determining the amounts of its section 471 costs.	<ul style="list-style-type: none"><li>▪ IRC 471</li><li>▪ Treas. Reg 1.263A-1(d)(2)(iii)(C)</li><li>▪ Treas. Reg 1.263A-1(d)(2)(iii)(D)</li></ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>De minimis Rule Exceptions for Certain Direct Costs</u></p> <p>In general, taxpayers that use the simplified resale method, simplified production method, or modified simplified production method but do not capitalize all of their direct labor and material costs in its financial statements, may, if the costs are eligible, use the:</p> <ul style="list-style-type: none"><li>▪ De minimis direct labor costs rule, and/or</li><li>▪ De minimis direct material costs rule.</li></ul> <p>If the taxpayer uses both or one of the rules, it must include uncapitalized direct labor costs and/or direct material costs (to the extent such costs are eligible for these exceptions) into additional section 263A costs and exclude them from section 471 costs.</p> <p>The use of the de minimis rule is the adoption of, or a change in, a method of accounting under IRC 446.</p>	<ul style="list-style-type: none"><li>▪ IRC 263A</li><li>▪ IRC 446</li><li>▪ IRC 471</li><li>▪ Treas. Reg 1.263A-1(d)(2)(iv)(A)</li></ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>De minimis Rule for Certain Direct Labor Costs</u></p> <p>A taxpayer that uses the de minimis rule includes in additional section 263A costs, and excludes from section 471 costs, the sum of all uncapitalized direct labor costs that it incurs in the taxable year, if the sum is less than five percent of total direct labor costs incurred in the taxable year (whether or not capitalized in the taxpayer's financial statement).</p> <p>When determining the amount of uncapitalized direct labor costs for the five percent test, the taxpayer treats any direct labor costs that are a reduction to direct labor costs as a positive amount (for example uncapitalized section 471 overtime or vacation pay).</p> <p>The amounts of uncapitalized direct labor costs used for the five percent test, and the amounts of uncapitalized direct labor costs included in additional section 263A costs, must not include amounts relating to basic compensation or overtime, or the types of costs included in the taxpayer's standard cost or burden rate methods used for section 471 costs.</p> <p>See Safe Harbor Method, later, for the treatment of certain variances and under or over-applied burdens.</p>	<ul style="list-style-type: none"><li>▪ IRC 263A</li><li>▪ IRC 471</li><li>▪ Treas. Reg 1.263A-1(d)(2)(iv)(B)</li></ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>De minimis Rule for Certain Direct Material Costs</u></p> <p>A taxpayer that uses the de minimis rule includes in additional section 263A costs, and excludes from section 471 costs, the sum of all uncapitalized direct material costs that it incurs in the taxable year, if the sum is less than five percent of total direct material costs incurred in the taxable year (whether or not capitalized in the taxpayer's financial statement).</p> <p>When determining the amount of uncapitalized direct material costs for this five percent test, the taxpayer should treat any material costs that are a reduction to costs, such as cash and trade discounts, as a positive amount.</p> <p>The amounts of uncapitalized direct material costs used for the five percent test, and the amounts of uncapitalized direct material costs included in additional section 263A costs, must not include the types of costs included in the taxpayer's standard cost method used for section 471 costs.</p> <p>See the Safe Harbor Method discussion for the treatment of certain variances and under or over-applied burdens.</p>	<ul style="list-style-type: none"><li>▪ IRC 263A</li><li>▪ IRC 471</li><li>▪ Treas. Reg 1.263A-1(d)(2)(iv)(C)</li></ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>Safe Harbor Method</u></p> <p>In general, a taxpayer that uses the simplified resale method, simplified production method, or modified simplified production method, may use the safe harbor method for all of its variances and under or over-applied burdens that are not capitalized to property it produced or acquired for resale in its financial statement (uncapitalized variances and uncapitalized under or over-applied burdens).</p> <p>A taxpayer using this safe harbor method must include in additional section 263A costs, and exclude from section 471 costs, the sum of all uncapitalized variances and uncapitalized under or over-applied burdens for the taxable year, if that sum is less than five percent of the taxpayer's total section 471 costs for all items to which it allocates costs using a standard cost method or burden rate method.</p>	<ul style="list-style-type: none"><li>▪ IRC 263A</li><li>▪ IRC 471</li><li>▪ Treas. Reg 1.263A-1(d)(2)(v)(A)</li></ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>Safe Harbor Method (cont'd)</u></p> <p>If the sum of uncapitalized variances and uncapitalized under or over-applied burdens is not less than this five percent threshold, the taxpayer may not exclude such uncapitalized amounts from section 471 costs and must reallocate such uncapitalized amounts to or among the units of property to which the costs are allocable.</p> <p>When determining the amounts of uncapitalized variances and uncapitalized under or over-applied burdens for this five percent test, the taxpayer must treat all variances and under or over-applied burdens as positive amounts.</p> <p>Additionally, for purposes of this five percent test, the taxpayer should determine its total section 471 costs for all items to which it allocates costs using a standard cost method or burden rate method before application of the safe harbor method, and must reflect the actual amounts the taxpayer incurs for those items during the taxable year, which includes variances and under or over-applied burdens.</p>	<ul style="list-style-type: none"><li>▪ IRC 471</li><li>▪ Treas. Reg 1.263A-1(d)(2)(v)(A)</li></ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>Safe Harbor Method (cont'd)</u></p> <p>The taxpayer must include any variances on cash or trade discounts if the taxpayer capitalizes those discounts as part of its standard cost method used for section 471 costs.</p> <p>A taxpayer using the safe harbor method must use the method consistently for all items to which it allocates costs using a standard cost method or burden rate method. The taxpayer cannot use the burden rate or standard cost methods of accounting to treat its insignificant uncapitalized variances and uncapitalized under or over-applied burdens (that is not significant in amount relative to the taxpayer's total indirect costs it incurs for production and resale activities for the year), as not allocable to property the taxpayer produced or acquired for resale.</p> <p>In the case of a taxpayer using the modified simplified production method and the safe harbor method, the taxpayer must use any reasonable method to allocate between production and pre-production additional section 263A costs, any uncapitalized variances and uncapitalized under or over-applied burdens it treats as additional section 263A costs.</p>	<ul style="list-style-type: none"> <li>▪ IRC 263A</li> <li>▪ IRC 471</li> <li>▪ Treas. Reg 1.263A-1(d)(2)(v)(B)</li> <li>▪ Treas. Reg 1.263A-1(d)(2)(v)(C)</li> </ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>Safe Harbor Method (cont'd)</u></p> <p>If the taxpayer uses the modified simplified production method and the safe harbor method for uncapitalized variances and uncapitalized under or over-applied burdens that are not excluded from section 471 costs, then it must allocate such uncapitalized amounts between production section 471 costs and pre-production section 471 costs based on its reallocation of such uncapitalized amounts to or among the units of property to which the costs are allocable.</p> <p>If the taxpayer uses the simplified resale method, the taxpayer must use any reasonable method to allocate any uncapitalized variances and uncapitalized under or over-applied burdens treated as additional section 263A costs under the safe harbor method, between storage and handling costs, as described in Treas. Reg. 1.263A-3(d)(3)(i)(D)(2), and current year's purchasing costs, as described in Treas. Reg. 1.263A-3(d)(3)(i)(E)(2).</p> <p>The use of the safe harbor method is the adoption of, or a change in, a method of accounting under IRC 446.</p>	<ul style="list-style-type: none"> <li>▪ IRC 446</li> <li>▪ IRC 471</li> <li>▪ Treas. Reg 1.263A-1(d)(2)(v)(C)</li> <li>▪ Treas. Reg 1.263A-1(d)(2)(v)(D)</li> <li>▪ Treas. Reg 1.263A-1(d)(2)(v)(E)</li> <li>▪ Treas. Reg. 1.263A-3(d)(3)(i)(D)(2)</li> <li>▪ Treas. Reg. 1.263A-3(d)(3)(i)(E)(2)</li> </ul>

# Detailed Explanation of the Concept (cont'd)

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Analysis	Resources
<p><u>Change in Accounting Method</u></p> <p>The following are changes in a method of accounting , see Treas. Reg 1.446-1(e)(2)(i) and Form 3115, <i>Application for Change in Accounting Method</i>:</p> <ul style="list-style-type: none"> <li>▪ Alternative method to determine the amounts of section 471 costs,</li> <li>▪ De minimis direct labor costs rule,</li> <li>▪ De minimis direct material costs rule,</li> <li>▪ Safe harbor method for variances and under or over-applied burdens,</li> <li>▪ Recharacterization of costs under the simplified methods.</li> </ul> <p>You can find additional information on Voluntary Change in Method (Taxpayer-Initiated) issues in the Servicewide Virtual Library (VL) by going to the Examination floor, then the Corporate/Business Issues &amp; Credits Knowledge Base (KB) and selecting the Change in Methods book on the Methods of Accounting and Timing shelf.</p>	<ul style="list-style-type: none"> <li>▪ IRC 446</li> <li>▪ Treas. Reg. 1.446-1(E)(2)(i)</li> <li>▪ Corporate/Business Issues &amp; Credits KB, Change in Methods Book, Ch. 1 - <i>Accounting Method Basics</i></li> <li>▪ Corporate/Business Issues &amp; Credits KB, Change in Methods Book, Ch. 4- <i>Voluntary Change in Method (Taxpayer-Initiated)</i></li> <li>▪ Corporate/Business Issues &amp; Credits KB, Change in Methods Book, Ch. 6 - <i>IRC 481(a) Adjustments &amp; Computations</i></li> <li>▪ Form 3115 - <i>Application for Change in Accounting Method</i></li> </ul>

# Examples of the Concept

## Alternative Method for Determining Section 471 Costs for UNICAP Purposes

### Examples

#### Example 1 - De minimis Direct Labor Costs Rule

Taxpayer P uses the modified simplified production method and uses the alternative method to determine its amounts of section 471 costs. Taxpayer P uses the de minimis direct labor costs rule. P does not capitalize vacation pay or holiday pay to property it produced or acquired for resale in its financial statement, but, does capitalize all other direct labor costs to such property in its financial statement.

On its 2018 financial statement, P incurs \$3,500,000 of total direct labor costs, including \$110,000 of vacation pay costs and \$10,000 of holiday pay costs.

For federal income tax purposes, P incurs \$150,000 of vacation pay costs and \$18,000 of holiday pay costs in the taxable year. P's uncapitalized direct labor costs are \$120,000 (\$110,000 of vacation pay plus \$10,000 of holiday pay).

For purposes of the five percent test, P's uncapitalized direct labor costs are 3.43% of total direct labor costs (\$120,000 divided by \$3,500,000).

Accordingly, P includes \$120,000 in its additional section 263A costs and excludes that amount from its section 471 costs in the taxable year.

Additionally, P includes in additional section 263A costs a positive book-to-tax adjustment of \$40,000 for vacation pay costs (\$150,000 tax amount minus \$110,000 book amount) and a positive book-to-tax adjustment of \$8,000 for holiday pay costs (\$18,000 tax amount minus \$10,000 book amount).

# Examples of the Concept (cont'd)

## Alternative Method for Determining Section 471 Costs for UNICAP Purposes

### Examples

#### Example 2 - Safe Harbor Method

Taxpayer X uses the modified simplified production method and uses the alternative method to determine its amounts of section 471 costs.

In 2018, X uses a burden rate method for book purposes to allocate costs to Products A and B and does not capitalize any under or over-applied burdens to property it produced or acquired for resale in its financial statement. X does not allocate costs to any other products using a burden rate method and does not allocate costs to any products using a standard cost method.

On its 2018 financial statement, using X's burden rate, the total amount of predetermined indirect costs for Product A is \$545,000 and the total amount of actual indirect costs incurred for Product A is \$550,000; accordingly, X has an under-applied burden of \$5,000 for Product A. For federal income tax purposes, the actual indirect costs incurred in 2018 for Product A is \$560,000.

Additionally, on its 2018 financial statement, using X's burden rate, the total amount of predetermined indirect costs for Product B is \$250,000 and the total amount of actual indirect costs incurred for Product B is \$225,000; accordingly, X has an over-applied burden of \$25,000 for Product B. For federal income tax purposes, the actual indirect costs incurred in 2018 for Product B is \$240,000.

X uses the safe harbor rule for certain variances and under or over-applied burdens.

Prior to the application of this safe harbor rule, X's total section 471 costs for 2018 for Products A and B are \$2,000,000, which includes:

- \$550,000 actual indirect costs for Product A,
- \$225,000 actual indirect costs for Product B, and
- \$1,225,000 of other section 471 costs for Products A and B that X does not allocate under its burden rate method.

# Examples of the Concept (cont'd)

## Alternative Method for Determining Section 471 Costs for UNICAP Purposes

### Examples

#### Example 2 - Safe Harbor Method (cont'd)

For purposes of determining the amount of uncapitalized variances and uncapitalized under or over-applied burdens for the five percent test, X treats its under and over-applied burdens for Products A and B as positive amounts.

Consequently, the sum of X's uncapitalized variances and uncapitalized under or over-applied burdens is \$30,000:

- \$5,000 under-applied burden for Product A, plus
- \$25,000 overapplied burden for Product B.

Accordingly, the sum of X's uncapitalized variances and uncapitalized under or over-applied burdens is 1.5% of X's total section 471 costs for all items to which it allocates costs using a standard cost method or burden rate method, (\$30,000 divided by \$2,000,000).

X includes a positive \$5,000 under-applied burden for Product A and a negative \$25,000 over-applied burden for Product B in its additional section 263A costs and excludes those amounts from its section 471 costs.

Additionally, X includes in its additional section 263A costs a positive book-to-tax adjustment of \$10,000 for Product A (\$560,000 actual tax cost amount minus \$550,000 actual book cost amount) and a positive book-to-tax adjustment of \$15,000 for Product B (\$240,000 actual tax cost amount minus \$225,000 actual book cost amount) in the taxable year.

# Index of Referenced Resources

## Alternative Method for Determining Section 471 Costs for UNICAP Purposes

IRC 263A

IRC 446

IRC 471

Treas. Reg 1.263A-1(d)(2)(ii)

Treas. Reg 1.263A-1(d)(2)(iii)

Treas. Reg 1.263A-1(d)(2)(iii)(B)

Treas. Reg 1.263A-1(d)(2)(iii)(C)

Treas. Reg 1.263A-1(d)(2)(iii)(D)

Treas. Reg 1.263A-1(d)(2)(iv)

Treas. Reg 1.263A-1(d)(2)(iv)(A)

Treas. Reg 1.263A-1(d)(2)(iv)(B)

Treas. Reg 1.263A-1(d)(2)(iv)(C)

Treas. Reg 1.263A-1(d)(2)(v)

Treas. Reg 1.263A-1(d)(2)(v)(A)

Treas. Reg 1.263A-1(d)(2)(v)(B)

Treas. Reg 1.263A-1(d)(2)(v)(C)

Treas. Reg 1.263A-1(d)(2)(v)(D)

# Index of Referenced Resources (cont'd)

<b>Alternative Method for Determining Section 471 Costs for UNICAP Purposes</b>
Treas. Reg 1.263A-1(d)(2)(v)(E)
Treas. Reg 1.263A-1(d)(3)(ii)(B)
Treas. Reg 1.263A-1(d)(6)
Treas. Reg. 1.263A-(b)
Treas. Reg. 1.263A-2(c)
Treas. Reg. 1.263A-(d)
Treas. Reg. 1.263A-3(d)(3)(i)(D)(2)
Treas. Reg. 1.263A-3(d)(3)(i)(E)(2)
Treas. Reg 1.446-1(E)(2)(i)
Form 3115 - <i>Application for Change in Accounting Method</i>
Corporate/Business Issues & Credits KB, Change in Methods Book, Ch. 1 - <i>Accounting Method Basics</i>
Corporate/Business Issues & Credits KB, Change in Methods Book, Ch. 4 - <i>Voluntary Change in Method (Taxpayer-Initiated)</i>
Corporate/Business Issues & Credits KB, Change in Methods Book, Ch. 6 - <i>IRC 481(a) Adjustments &amp; Computations</i>

# Training and Additional Resources

Alternative Method for Determining Section 471 Costs for UNICAP Purposes	
Type of Resource	Description(s)
	None at this time

# Glossary of Terms and Acronyms

Term/Acronym	Definition
IRC	Internal Revenue Code
KB	Knowledge Base
SEC	Securities and Exchange Commission
Treas. Reg.	Treasury Regulation
UNICAP	Uniform Capitalization
VL	Virtual Library

# Index of Related Practice Units

Associated UIL(s)	Related Practice Unit
	None at this time