



cutting through complexity

Final Tangible Property Regulations: *Practical Considerations in the Post- implementation Period*

UT School of Law
63rd Annual Tax
Conference
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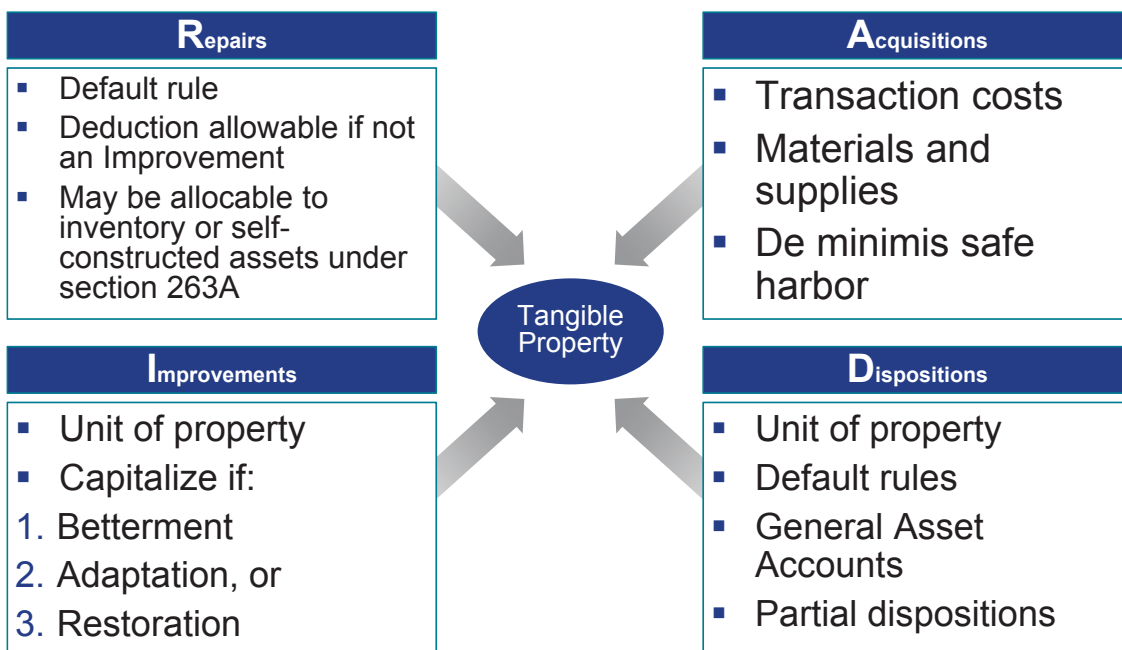
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Timeline of Guidance

- January 20, 2004 Notice 2004-6 announces government's plan to develop tangibles regs
- August 21, 2006 Government issues first set of proposed regulations
- March 10, 2008 Government withdraws 2006 proposed regulations and issues new proposal
- December 27, 2011 2008 proposed regulations withdrawn and replaced with third proposal (also issued as temporary regulations, so effective immediately)
- September 19, 2013 Final regulations published for acquisition costs and for repair and maintenance costs; proposed regulations issued for dispositions (effective January 1, 2014)
- January 24, 2014 Revenue Procedure 2014-16 issued (repair and maintenance)
- February 28, 2014 Revenue Procedure 2014-17 issued (dispositions)
- August 18, 2014 Final disposition regulations (effective January 1, 2014)
- September 18, 2014 Revenue Procedure 2014-54 issued (dispositions)
- January 12, 2015 Revenue Procedure 2015-12 issued (cable TV)
- Pending Industry guidance for natural gas

Snapshot of Regulations



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Common Method Changes and Elections

TPR Section	Item	Election		Method change	
		Election made with affirmative statement	Election made by reporting on the return	Method change with 481(a) adjustment	Method change with limited 481(a)
Acquisition costs	Book de <i>minimis</i> policy	✓			
	Materials and supplies				✓
	Election to capitalize and depreciate rotatable or temporary spares		✓		
Repairs and improvements	Repairs vs. improvements			✓	
	Book conformity election	✓			
Dispositions	Partial disposition		✓		
	Late partial disposition election			✓ (2014)	
	Complete asset disposition			✓	

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