No. 2024-475
December 17, 2024

Rev. Proc. 2025-8: Expanded waiver of eligibility rules to accounting method changes to comply with section 174

The IRS today released Rev. Proc. 2025-8 to modify section 7 of Rev. Proc. 2024-23 (providing an updated annual list of automatic accounting method changes) to provide procedures under section 446 and Treas. Reg. § 1.446-1(e) for obtaining automatic consent of the IRS Commissioner to change methods of accounting for expenditures paid or incurred in tax years beginning after December 31, 2021, to comply with section 174 or to rely on interim guidance provided in sections 3 through 7 of Notice 2023-63, as modified by Notice 2024-12.

Specifically, the revenue procedure:

- Expands the waiver of the eligibility rules in Rev. Proc. 2015-13 to accounting method changes to comply with section 174 or to rely on interim guidance provided in sections 3 through 7 of Notice 2023-63, as modified by Notice 2024-12, that are made in any tax year beginning in 2022, 2023, or 2024

- Permits a taxpayer to make such accounting method changes under Rev. Proc. 2024-23 regardless of whether a change under that section has been filed for any other tax year beginning in 2022, 2023, or 2024

The revenue procedure is generally effective for Forms 3115 filed on or after December 17, 2024.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.