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Inventory Price Index Computation (IPIC) Method Pool.

May. 23, 2018



The [American Institute of CPAs](#) (AICPA) has recommended changes to the Internal Revenue Service's (IRS) proposed Dollar-Value Last-In, First-Out (LIFO) Regulations: Inventory Price Index Computation (IPIC) Method Pool.

The proposed regulations (REG-125946-10) would amend the IPIC method pooling rules to clarify that the rules are applied consistently with the general LIFO pooling rule so that manufactured or processed goods and resale goods are not included in the same dollar-value LIFO pool.

The AICPA recommended in its May 21 [letter](#) that the U.S. Department of the Treasury and the IRS make three changes to the proposed regulations to reduce the compliance burden on taxpayers and IRS exam controversy:

- Allow the inclusion of resale goods in the same LIFO IPIC pool with manufactured

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and the price of specific goods as the unit of measurement. Under Treas. Reg. § 1.472-8(b)(1), manufacturers or processors are required to establish one pool for each natural business unit unless the manufacturer or processor elects under Treas. Reg. § 1.472-8(b)(3) to establish multiple pools.

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