

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

property regulations for small business taxpayers without an applicable financial statement (AFS) be increased from \$500 to \$2,500.

Apr. 22, 2015

The [American Institute of CPAs](#) (AICPA) recommended to the Internal Revenue Service (IRS) that the *de minimis* safe harbor threshold amount under the tangible property regulations for small business taxpayers without an applicable financial statement (AFS) be increased from \$500 to \$2,500.

“The AICPA believes the requirement that a taxpayer have an AFS to use the \$5,000 *de minimis* threshold unfairly discriminates against smaller taxpayers, and recommends an alternative test to allow such taxpayers to use the *de minimis* rule,” Troy K. Lewis, CPA, CGMA, chair of the AICPA Tax Executive Committee, wrote in the April 21, 2015 [letter](#).

The AICPA recommended that the Treasury Department expand the definition of an approved AFS to include a reviewed set of financial statements, which are in accordance with Statements on Standards for Accounting and Review Services and provide reasonable assurance that there are no material modifications that have been made or should be made for them to be in conformity with the applicable financial reporting framework.

Lewis explained that outside third parties, such as banks and creditors, often rely on reviewed financial statements to provide them comfort in the financial statements of a company.

“We also recommend adjusting the threshold amount on an annual basis for inflation to maintain the fairness and incentive of the intended benefit, and to

expand the AFS definition to allow more taxpayers to benefit from the higher \$5,000

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

(NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved