

**DE FILIPPS UNIVERSITY**  
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**The New Tangibles Regulations:  
Part III - Recorded October 16, 2012**



**DE FILIPPS UNIVERSITY AUDIO SEMINARS**  
*Practical Tax Updates, Insights & Training for Dealership CPAs & Controllers*

*The New  
Tangibles Regulations:  
Part III  
Impact on Auto Dealerships*  
Presented October 16, 2012

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**The New Tangibles Regulations ... Section 263(a) & Others**  
\* **Part I - General** ... Presented Oct. 3, 2012  
\* **Part II - Advanced & Specific Applications** ... Presented Oct. 10, 2012

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## THE NEW TANGIBLES REGULATIONS: PART III ... IMPACT ON AUTO DEALERSHIPS

Presented  
October 16, 2012

Finally, all of the personal and corporate tax returns for 2011 have been filed and the post 9/15 and 10/15 recovery period is well under way. Meanwhile, the significant impact of the new Tangible property Regulations - which became effective January 1, 2012 - is beginning to sink in. Seminars and articles discussing these T-Regs. *in general* seem to be plentiful ... But what about a seminar *specific to auto dealerships*? If that's what you're looking for, here's one for you.

Parts I and II of our *New Tangibles Regulations* audio seminar series have already laid out the background.

This seminar - Part III - now drills down into the specifics affecting dealerships. It focuses on the most important aspects of the Regulations, elections and necessary changes in accounting methods that impact auto dealerships, *especially those arising out of construction activities involving dealership facilities under manufacturer upgrade programs.*

Out of all the examples in the new Regulations, none are addressed specifically to auto dealerships. That leaves dealerships in the position of having to interpret the rules and the examples in the Regulations for themselves. In this seminar, Mr. De Filippis analyzes the examples that seem to be more appropriate to dealerships. More importantly, he shares his insights to help you understand beyond just what the examples say ... to illuminate how they can be taken further to assist your dealership clients.

After briefly reviewing the background information necessary to deal with the most important aspects of the Regulations for dealerships, Mr. De Filippis examines not only the elections and changes in accounting methods that can be made, but also the pros and cons of making them in the first place.

There is no single (i.e., sample) Form 3115 that dealerships changing methods of accounting to comply with the new T-Regs. will have to file. However, this seminar includes Mr. De Filippis' practical suggestions and thoughts on proforma narrative statements for Form 3115 CAMs.

### Program Content Topics:

- \* Materials and supplies ... Incidental & non-incidentals
- \* Capitalizing vs. deducting the costs of "small-dollar" purchases of equipment
- \* Capitalizing vs. deducting costs of dealership facility upgrades and improvements under manufacturers' incentive programs
- \* The "roof replacement" scenario ... The real "gem" in the new Regulations relating to deductions for previously capitalized improvements to buildings when major building "repairs" occur

### Learning Objectives:

**Part III** of this audio seminar series focuses on the most important aspects of the Regulations, elections and necessary changes in accounting methods that impact auto dealerships. This seminar analyzes the Regulation examples that seem to be more appropriate to dealerships and examines the changes in accounting method that must be made in order to comply with and/or take advantage of the benefits available. Practical suggestions and thoughts on Form 3115 CAMs are discussed as are the Content Topics indicated above.

After completing **Part III**, participants will understand the most important aspects of the new Tangibles Regulations, elections and necessary changes in accounting methods that impact auto dealerships. They will understand the dealership-appropriate Regulation examples and have insight into the changes in accounting method that must be made in order to be compliant.

### How De Filippis University On Demand Audio Seminar Recordings Work

Willard De Filippis' *On Demand Audio Seminar Recordings* require only a computer with speakers and an internet connection. Access to one *On Demand Audio Recording* of this presentation is available for a fee. This fee includes access for 60 days from the date of purchase to the audio seminar presentation and a link to the downloadable PDF file of the full, detailed Course outline and supplementary reference materials. Mr. De Filippis welcomes follow-up questions e-mailed to [cpawjd@aol.com](mailto:cpawjd@aol.com).

### Part I ... Presented October 3, 2012

After completing **Part I**, participants will be familiar with the more general principles and applications of the new Regulations. They will understand the basic provisions, pitfalls and opportunities presented in applying the new T-Regs which cover a broad array of issues involving the acquisition, improvement and disposition of capital assets. Participants will also understand the important new underlying concepts (such as what constitutes a *unit of property* and the technical, expanded definitions for *building systems, betterments, improvements, restorations and refreshes*) and be able to apply this knowledge to all types of businesses.

### Program Content Topics:

- \* Definitions of Materials & Supplies.
- \* Repairs - Current deductions vs. capital additions?
- \* Capital expenditures in general.
- \* New *de minimis* & safe harbor rules.
- \* Amounts paid to *acquire or produce* tangible property.
- \* Amounts paid to *improve* tangible property.
- \* Fixed assets - General asset accounts, accounting for, and dispositions of, MACRS property.

### Part II ... Presented October 10, 2012

After completing **Part II**, participants will be familiar with several of the specific applications to automobile dealership facilities and improvements. They will also be familiar with the pitfalls, opportunities and IRS procedures for businesses to comply with the new Regulations by implementing necessary changes in accounting methods. Finally, participants will be able to apply this information to their clients, regardless of the type of business involved.

### Program Content Topics:

- \* Applicability of the new Regulations to upgrades in new automobile dealership facilities, including an in-depth analysis of the T-Reg examples which the IRS has suggested are most relevant to dealership facility upgrades.
- \* Changes in accounting methods (CAMs) under the new T-Regs and how they can benefit businesses.
- \* Filing Forms 3115 for CAMs & Section 481(a) adjustment computations & limitations.
- \* Practitioners' concerns ... what the T-Regs don't say, what they prohibit and where opportunities to benefit taxpayers may be found.

**Cost:** \$279 for access to one *On Demand Audio Recording* of this presentation.

**CPE:** Continuing Education Credits are *not* available for this audio seminar. [Please note that CPE attendance confirmation certificates are *not* available in connection with the *On Demand Audio Recording* version of any De Filippis University presentation.]

**Field of Study:** Taxes. For this seminar, applications are exclusively for CPAs, CFOs and other advisors to franchised automobile and truck dealerships.

**Program Knowledge Level:** Intermediate to advanced.

**Program Prerequisites - Part III:** Understanding of topics discussed in **Part I** and in **Part II** of this 3-part audio seminar series. Note that discussion of the Parts I & II topics will be limited or will not be repeated in Part III.

**Advance Preparation Needed:** No advance preparation is required. Course outline and supplementary reference materials are provided to purchasers of each presentation via a link to a PDF file. It is suggested that these materials be downloaded and printed prior to listening to the presentation.

**Delivery Method(s):** On Demand Audio Recording. One *On Demand Audio Recording* of this presentation is available for a **fee of \$279**. This fee includes access for 60 days from the date of purchase to the audio seminar presentation and a link to the downloadable PDF file of the full, detailed Course outline and supplementary reference materials. Purchases should be made through [www.krm.com/wjd](http://www.krm.com/wjd) (or 800-775-7654).

For more information regarding **Refund, Complaint and Program Cancellation Policies**, please contact our offices at (847) 577-3977.

### Seminar Leader & Course Developer:



Willard De Filippis, CPA is recognized as one of the nation's leading experts in dealership tax issues, including the application of the LIFO inventory method to dealership inventories. He is widely appreciated and recognized for his astute analysis of current developments and for his willingness to share his conclusions, practices and practical suggestions with other practitioners.

Mr. De Filippis has over 40 years of experience as a consultant to CPA firms in automobile dealership matters and LIFO issues. Editor and publisher of the *Dealer Tax Watch* and the *LIFO Lookout*, he is a frequent speaker at national association meetings and conferences, including NADA and the AICPA Auto Dealership Conference in 2010 and in 2011.

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