

DE FILIPPS UNIVERSITY

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LIFO ... RIP? ... Not Necessarily!

LIFO Strategies & Recapture Projections
for Lower Year-End Inventories

December 2, 2021 - Live Webinar



DE FILIPPS UNIVERSITY SEMINARS

Practical Tax Updates, Insights & Training for Dealership CPAs & Controllers

LIFO ... RIP? ... Not Necessarily!

***LIFO Strategies & Recapture Projections
for Lower Year-End Inventories***

December 2, 2021

1:00 PM - 3:00 PM Eastern

Live Webinar

\$395 for the Live Presentation

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LIFO ... RIP? ... NOT NECESSARILY!
LIFO STRATEGIES & RECAPTURE PROJECTIONS
FOR LOWER YEAR-END INVENTORIES

Dec. 2, 2021
1:00 to 3:00 PM
(Eastern)

Continuing more than 40 years of annual year-end auto dealer seminars, Willard J. De Filippis, CPA will again be presenting his seminars for automobile dealerships and their CPA advisors.

[General dealership industry developments, major tax developments, cases, rulings and IRS activities, as well as other significant matters of interest to CPAs and others advising dealership clients will be covered in a separate seminar on November 30 – Year-End 2021 Dealer Tax Update – Tax Strategies & IRS Activities. See the accompanying brochure for that program's content and for separate registration information.]

In this seminar, Mr. De Filippis will discuss how to anticipate the impact of (significantly) lower year-end inventories by using various projection techniques. He will also cover what needs to be done in situations where reserve recapture is so severe that terminating the LIFO election seems to be the only viable option. Finally – and if not more important than accepting termination as the only viable option – practical, already-tested alternative strategies and procedures for staying on LIFO and minimizing LIFO recapture for 2021 will also be explored.

Program Content Topics:

- * Background & Overview
 - Inventory Levels Are Anticipated to Be Even Lower Than Last Year's
 - General Planning Considerations & Anticipated Inflation Rates
- * Quantifying the Impact of Lower Inventories on LIFO Reserve Paybacks
 - Estimates vs. Detailed Projection Computations of Year-End LIFO Reserve Changes
 - Why LIFO Reserves May Go Up, Even though Inventory Levels Go Down
- * LIFO Election Terminations If Significant Reserve Payback Is Anticipated
 - Observations & Planning Considerations
 - Terminating LIFO Is a "Change in Accounting Method"
 - Form 3115 [Application for Change in Accounting Method] Must Be Filed with the IRS
 - Is the Termination Automatic or Is Advance Approval from the IRS Required?
 - Review of Form 3115 Filing Specifics for LIFO Election Terminations
- * Planning to Minimize LIFO Reserve Repayments While Staying on LIFO
 - Consider Changing the Methods for Valuing and Pooling Dealership Inventories
 - Use of the Alternative LIFO Method(s) vs. Use of the IPIC Method(s)
 - Used Vehicle Inventories ...
 - Should Used Vehicles Be Included in LIFO Elections?
 - Review of Form 970 Requirements to Notify IRS of Adding Used Vehicles
 - Review of Form 3115 Filing Specifics for LIFO Method Changes
 - Other Ways to Increase Inventory – Some Legitimate; Some the IRS May Question
- * Don't Rush to Judgment ... Keep All Your Options Open for as Long as Possible*

* During the past year, several organizations and firms have submitted proposals to the IRS/Treasury requesting relief for LIFO taxpayers who expect significantly lower year-end inventories. To date, no specific action or response has been forthcoming. These LIFO-related relief requests will be discussed in this seminar. If (by some miracle!) the Treasury/IRS finalizes relief under Sec. 473, this "relief" will be discussed as well. Otherwise, the proposals for relief are part of the program content for the Year-End 2021 Dealer Tax Update seminar on Nov. 30.

Register at www.defilippis.com

How De Filippis University Webinars Work

Willard De Filippis' live webinars (web-based seminars) require a computer with a fast internet connection and speakers (or headset capability). Before the seminar, registered participants receive an e-mail with access instructions and a link to the pdf file of the webinar course materials.

For a per-site registration fee of \$395, an unlimited number of attendees at a physical site can participate in the webinar via a shared computer set-up. (Please visit <http://www.defilippis.com/webinars> for all system requirements.)

Questions & Answers: Ample time will be provided for participant questions and answers. Mr. De Filippis welcomes questions e-mailed in advance of the seminar to will@defilippis.com.

Continuing Professional Education: In order to make this presentation as timely as possible, we were unable to submit the material for advance approval, and accordingly, we are not able to provide CPE credit for participation in this seminar.

Continuing Professional Education Information

Field of Study: Taxes ... For this seminar, discussions are relevant to all businesses with inventories, including (but not limited to) automobile, truck and other equipment dealerships.

Learning Objectives: After completing this seminar, participants will be able to anticipate the impact of (significantly) lower year-end inventories by using various projection techniques. They will be familiar with procedures to follow if a LIFO election is going to be terminated. They will also understand several practical, alternative strategies and procedures for staying on LIFO and minimizing LIFO recapture.

Program Level: Intermediate.

Program Prerequisites: Having 1 year of solid experience working with LIFO inventories is recommended.

Advance Preparation Needed: No advance preparation is required. A detailed course slides and supplementary reference materials are provided to participants prior to the presentation (via an Internet link to a printable PDF file).

Delivery Method(s): Group-Live (i.e., Webinar) & Group Internet-Based with "Question & Answer" time provided throughout the session.

To hear this live webinar, participants only need a computer or device with a fast internet connection and speakers (or headset capability). The URL and valid course code (which will be provided prior to the live presentation) are necessary in order to access and print the course materials.

Course Registration Requirements: None, other than registration through www.defilippis.com and payment of the \$395 site registration fee (per seminar). An unlimited number of attendees at one site location can participate, be updated and ask questions on these important topics. One site registration provides access for one computer.

For more information regarding **System Requirements, Refund, Complaint and Program Cancellation Policies**, please contact our offices at (847) 577-3977 or visit www.defilippis.com.

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 45 years of experience as a consultant to CPA firms in automobile dealership matters and LIFO (Last-In, First-Out) inventory valuation issues. His experience has been consolidated into the *De Filippis University*, an online resource center for automobile dealer CPAs. He is a frequent speaker at national association meetings and conferences, including NADA and the AICPA National Auto Dealership Conferences and was the editor and publisher of the *Dealer Tax Watch* and the *LIFO Lookout* from 1992 through 2012.