



November 16, 2020

Mr. John Moriarty
Associate Chief Counsel
Income Tax & Accounting
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Request for Permanent Electronic Submission Options for Accounting Method Changes

Dear Mr. Moriarty:

The American Institute of CPAs (AICPA) commends the continued efforts of the Department of the Treasury (“Treasury”) and the Internal Revenue Service (IRS) to issue timely guidance related to Public Law 115-97, commonly referred to as the Tax Cuts and Jobs Act (TCJA or the “Act”)¹ as well as Public Law 116-136, the Coronavirus Aid, Relief and Economic Security Act (CARES Act).² The AICPA recognizes and appreciates the significant volume of guidance that Treasury and the IRS have issued in recent months and acknowledges that the government is continuing to work on numerous urgent matters related to the coronavirus pandemic.

Specifically, the AICPA requests that Treasury and the IRS make permanent, the temporary procedures allowing for the electronic submission of Form 3115, *Application for Change in Accounting Method*.

Overview

Taxpayers must submit two copies of Form 3115 to the IRS, including filing Form 3115 with their tax return (including extensions). On July 31, 2020, the IRS began accepting the duplicate copy of Form 3115 via fax instead of requiring taxpayers to mail the duplicate paper copy to the IRS in Ogden, Utah. The change from accepting the duplicate copy via fax rather than only by mail applies to taxpayers requesting consent to make a change in accounting method under the automatic change procedures in [Rev. Proc. 2015-13](#).

In addition, on April 30, 2020, the IRS released an advance version of [Rev. Proc. 2020-29](#), which modifies the procedures in [Rev. Proc. 2020-1](#), and temporarily allows for the electronic submission of requests for letter rulings, closing agreements, determination letters and information letters, including non-automatic requests for changes in method of accounting and

¹ Public Law 115-97, 131 Stat. 2054.

² Public Law 116-136.

changes in accounting periods. Taxpayers are able to use a secure fax line or submit by compressed and encrypted email attachments.

Recommendations

The AICPA recommends that Treasury and the IRS issue guidance making permanent the electronic submission of Form 3115 under the automatic change procedures in [Rev. Proc. 2015-13](#).

In addition, the AICPA recommends that Treasury and the IRS issue guidance making permanent the electronic submission of non-automatic requests for changes in methods of accounting and changes in accounting periods.

Analysis

Allowing for permanent faxing of Form 3115 would help to reduce the likelihood of taxpayers mailing in duplicate copies of automatic changes after the deadline. In addition, allowing for permanent electronic submission, including faxing and secure email submissions for non-automatic method changes, would alleviate the burden created by having to paper file.

COVID-19 continues to impose challenges on taxpayers. Many taxpayers are under stay-at-home / quarantine orders or trying to maintain a minimum of six feet of social distance, which make paper filings and obtaining wet signatures burdensome. Also, providing permanent electronic submission options would help to modernize the tax filing system and provide for simplicity, as well as help to alleviate overall administrative burden imposed on both taxpayers and the IRS.

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The AICPA is the world's largest member association representing the accounting profession, with more than 431,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate your consideration of our recommendations and welcome the opportunity to further discuss our comments. If you have any questions, please contact Connie Cunningham, Chair, AICPA Tax Methods and Periods Technical Resource Panel, at (310) 557-8544, or CCCunningham@bdo.com; Elizabeth Young, Senior Manager — AICPA Tax Policy & Advocacy, at (202) 434-9247, or elizabeth.young@aicpa-cima.com; or me at (612) 397-3071, or chris.hesse@CLAconnect.com.

Sincerely,

A handwritten signature in blue ink that reads "Christopher W. Hesse". The signature is written in a cursive style with a large initial "C" and a long horizontal stroke at the end.

Christopher W. Hesse, CPA
Chair, AICPA Tax Executive Committee

cc: The Honorable David J. Kautter, Assistant Secretary for Tax Policy, Department of the Treasury
The Honorable Charles P. Rettig, Commissioner, Internal Revenue Service
The Honorable Michael J. Desmond, Chief Counsel, Internal Revenue Service
Ms. Wendy Friese, Tax Policy Advisor, Office of Tax Legislative Counsel, Department of the Treasury
Mr. Timothy Powell, Tax Policy Advisor, Office of Tax Legislative Counsel, Department of the Treasury