

Saturday

2:00PM – 4:00PM

New Regulations on Capitalizing Costs of Acquiring and Improving Tangible Assets

In 2006, proposed regulations under section 263(a) were issued relating to amounts paid to acquire, produce or improve tangible property and clarifying what amounts must be capitalized rather than deducted currently. The proposed regulations provide (i) tests for determining whether amounts paid are to be capitalized or deducted as repair and maintenance expenditures, (ii) operating rules for applying the tests and (iii) guidance for determining the unit of property with respect to which the tests apply. It is expected that these proposed regulations will be either finalized or re-proposed before the 2008 May Meeting in Washington, DC. The program will review the new regulations, including consideration of how the regulatory tests and operating rules are different from the earlier proposed regulations. Government panelists involved with the regulations project will offer insight regarding policy and administrative concerns shaping the regulations.

Moderator: Ellen McElroy, Pepper Hamilton LLP, Washington, DC

Panelists: Brandon Carlton, Attorney-Advisor, Office of Tax Legislative Counsel,
Department of Treasury, Washington, DC

Susan Grais, Ernst & Young LLP, Washington, DC

Heather Johnson, Discovery Communications, Silver Spring, MD

Sharon Kay, Taxation Specialist, Office of Legislative Counsel, Department of
Treasury, Washington, DC

Kimberly Koch, Special Counsel (Income Tax & Accounting), IRS,
Washington, DC

Todd Reinstein, Pepper Hamilton LLP, Washington, DC

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