

To: jeffrey E.[jeevacation@gmail.com]
From: Richard Merkin
Sent: Mon 6/30/2014 11:55:22 PM
Subject: RE:

Thanks, very helpful. Preliminarily the accountant suggested that if I switched from an accrual to a cash basis it would trigger a tax on our IBNR (money owed to doctors and hospitals).

From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Monday, June 30, 2014 4:47 PM
To: Richard Merkin
Subject:

<http://www.irs.gov/pub/irs-pdf/i3115.pdf>

<http://www.irs.gov/pub/irs-pdf/f3115.pdf>

Once you have set up your accounting method and filed your first return, you must get IRS approval before you change the method. In general, you must file a current Form 3115 to request a change in either an overall accounting method or the accounting treatment of any item.

The following are changes in accounting method that require approval from the IRS:

- Switching from a cash basis method to an accrual basis method;
- Switching from an accrual basis method to a cash basis method;
- Change in method or basis used to value your inventory; and
- A change in depreciation or amortization method (exception: some changes in the straight-line method are permitted without permission from the IRS.)

When and Where To File Form 3115

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please note

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