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LB&I directive for mining industry: Units of property, major components

The IRS Large Business and International (LB&I) division today publicly released an LB&I directive as guidance with respect for examinations of taxpayers in the mining industry.

The release is intended to provide technical guidance, and has a goal of reducing exam time and taxpayer burden. The directive includes guidance to assist IRS agents in determining the units of property and major components frequently used in the mining industry pursuant to Reg. section 1.263(a)-3(e). The tangible property regulations must then be applied to determine whether expenditures replace or improve tangible property and must be capitalized under section 263(a).

Read text of the [LB&I directive](#), LB&I Control No. LB&I-04-0917-004 (dated September 11, 2017, and released October 19, 2017).

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