



TaxNewsFlash

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Rev. Proc. 2024-30: Procedures for obtaining automatic consent to change methods of accounting to the Allowance Charge-off Method

The IRS today released [Rev. Proc. 2024-30](#) to provide updated procedures for the process of obtaining automatic consent from the Commissioner of Internal Revenue to change methods of accounting to the Allowance Charge-off Method, as outlined in the proposed regulations under section 166 (read [TaxNewsFlash](#)).

The revenue procedure modifies Rev. Proc. 2024-23 (read [TaxNewsFlash](#)).

The change applies specifically to regulated financial companies and members of regulated financial groups, excluding banks using the section 585 reserve method. Companies can apply for this change using the automatic method change procedures outlined in various prior revenue procedures (e.g., Rev. Proc. 2015-13).

The change is effective for charge-offs occurring in tax years ending on or after December 28, 2023. It is applied on a cut-off basis, meaning it only affects charge-offs made in the year of change and forward; previous charge-offs remain under the former accounting method.

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