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Internal Revenue Code Section 481(a)

Adjustments required by changes in method of accounting



(a) General rule.

In computing the taxpayer's taxable income for any taxable year (referred to in this section as the "year of the change")-

(1) if such computation is under a method of accounting different from the method under which the taxpayer's taxable income for the preceding taxable year was computed, then

(2) there shall be taken into account those adjustments which are determined to be necessary solely by reason of the change in order to prevent amounts from being duplicated or omitted, except there shall not be taken into account any adjustment in respect of any taxable year to which this section does not apply unless the adjustment is attributable to a change in the method of accounting initiated by the taxpayer.

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