



# TaxNewsFlash

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## Rev. Proc. 2021-35, Rev. Proc. 2021-34: Safe harbor method accounting, OID on pool of credit card receivables and related automatic consent

The IRS today released an advance version of Rev. Proc. 2021-35 regarding the safe harbor method of accounting for original issue discount (OID) on a pool of credit card receivables for purposes of section 1272(a)(6)—referred to as the "proportional method."

- [Rev. Proc. 2021-35](#) [PDF 157 KB] modifies Rev. Proc. 2013-26 to reflect changes made to the treatment of certain credit card fees by section 451(b) by the 2017 tax law that is often referred to as the "Tax Cuts and Jobs Act" (TCJA) and subsequently by Reg. sections 1.451-3 and 1.1275-2(l).
- [Rev. Proc. 2021-34](#) [PDF 291 KB] modifies Rev. Proc. 2019-43, to provide procedures for a taxpayer to obtain the automatic consent of the Commissioner to change methods of accounting, including to exclude items of income that are subject to the timing rules of Reg. section 1.451-3 because the items are specified fees—such as specified credit card fees—from the proportional method.

The purpose of this report is to provide text of the two revenue procedures.

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