

§ 1.453A-0

26 CFR Ch. I (4-1-04 Edition)

	1999	2000	2001	2002	2003	2004-2008	Total gain
Remaining to be taxed at 25%	2200	1400	600

(e) *Effective date.* This section applies to installment payments properly taken into account after August 23, 1999.

[T.D. 8836, 64 FR 45875, Aug. 23, 1999]

§ 1.453A-0 Table of contents.

This section lists the paragraphs and subparagraphs contained in §§1.453A-1 through 1.453A-3.

§ 1.453A-1 Installment method of reporting income by dealers in personal property.

- (a) In general.
- (b) Effect of security.
- (c) Definition of dealer, sale, and sale on the installment plan.
- (d) Installment plans.
 - (1) Traditional installment plans.
 - (2) Revolving credit plans.
- (e) Installment income of dealers in personal property.
 - (1) In general.
 - (2) Gross profit and total contract price.
 - (3) Carrying changes not included in total contract price.
- (f) Other accounting methods.
- (g) Records.
- (h) Effective date.

§ 1.453A-2 Treatment of revolving credit plans; taxable years beginning on or before December 31, 1986.

- (a) In general.
- (b) Coordination with traditional installment plan.
- (c) Revolving credit plans.
- (d) Effective date.

§ 1.453A-3 Requirements for adoption of or change to installment method by dealers in personal property.

- (a) In general.
- (b) Time and manner of electing installment method reporting.
 - (1) Time for election.
 - (2) Adoption of installation method.
 - (3) Change to installment method.
 - (4) Deemed elections.
- (c) Consent.
- (d) Cut-off method for amounts previously accrued.
- (e) Effective date.

[T.D. 8270, 54 FR 46376, Nov. 3, 1989]

§ 1.453A-1 Installment method of reporting income by dealers on personal property.

(a) *In general.* A dealer (as defined in paragraph (c)(1) of this section) may elect to return the income from the sale of personal property on the installment method if such sale is a sale on the installment plan (as defined in paragraphs (c)(3) and (d) of this section). Under the installment method of accounting, a taxpayer may return as income from installment sales in any taxable year that proportion of the installment payments actually received in that year which the gross profit realized or to be realized when the property is paid for bears to the total contract price. For this purpose, gross profit means sales less cost of goods sold. See paragraph (d) of this section for additional rules relating to the computation of income under the installment method of accounting. In addition, see §1.453A-2 for rules treating revolving credit plans as installment plans for taxable years beginning on or before December 31, 1986.

(b) *Effect of security.* A dealer may adopt (but is not required to do so) one of the following four ways of protecting against loss in case of default by the purchaser:

- (1) An agreement that title is to remain in the vendor until performance of the purchaser's part of the transaction is completed;
- (2) A form of contract in which title is conveyed to the purchaser immediately, but subject to a lien for the unpaid portion of the selling price;
- (3) A present transfer of title to the purchaser, who at the same time executes a reconveyance in the form of a chattel mortgage to the vendor; or
- (4) A conveyance to a trustee pending performance of the contract and subject to its provisions.

(c) *Definitions of dealer, sale, and sale on the installment plan.* For purposes of the regulations under section 453A—