

## Administrative, Procedural, and Miscellaneous

26 CFR 601.204: Changes in accounting periods and in methods of accounting.  
(Also Part I, §§ 263A, 471; 1.263A-1, 1.263A-2, 1.263A-3, 1.471-3.)

Rev. Proc. 2018-56

### SECTION 1. PURPOSE

This revenue procedure provides the procedures by which a taxpayer may obtain the automatic consent of the Commissioner of Internal Revenue (Commissioner) to change to certain methods of accounting provided in §§ 1.263A-1, -2, and -3 of the Income Tax Regulations for costs allocable to certain property produced or acquired for resale by the taxpayer. This revenue procedure modifies Rev. Proc. 2018-31, 2018-22 I.R.B. 637.

### SECTION 2. BACKGROUND

.01 Concurrently with the release of this revenue procedure, the Department of Treasury (Treasury Department) and the Internal Revenue Service (Service) are issuing final regulations amending §§ 1.263A-1, -2, and -3 (T.D. 9843) (the final regulations).

The final regulations are intended to reduce distortions, compliance costs, burden, and administrative complexity under § 263A of the Internal Revenue Code (Code) by (1) providing rules for the treatment of negative adjustments related to certain costs required to be capitalized to property produced or acquired for resale; (2) providing a new simplified method of accounting, the modified simplified production method, for determining the additional section 263A costs that must be capitalized to ending inventory or other property on hand at the end of the year; and (3) redefining how certain types of costs are categorized for purposes of the simplified methods for determining the additional section 263A costs that must be capitalized to ending inventory or other property on hand at the end of the year.

.02 Sections 1.263A-2(b), 1.263A-2(c), and 1.263A-3(d) provide the simplified production method, the modified simplified production method, and the simplified resale method, respectively, which are the simplified methods for determining the additional section 263A costs that must be capitalized to ending inventory (or to the current-year increment in the case of a taxpayer using the last-in, first-out (LIFO) inventory method) or other property on hand at the end of the year. Under the simplified production method and the simplified resale method, a taxpayer determines the additional section 263A costs (as defined in § 1.263A-1(d)(3)) that must be capitalized to ending inventory or other property on hand at the end of the year by multiplying the section 471 costs (as defined in § 1.263A-1(d)(2)) remaining on hand at year end (or reflected in the current-year increment in the case of a taxpayer using the LIFO inventory method) by an absorption ratio. In general, these absorption ratios are total additional section 263A

costs incurred during the taxable year divided by total section 471 costs incurred during the taxable year. Under the modified simplified production method, a taxpayer determines the additional section 263A costs that must be capitalized to ending inventory or other property on hand at the end of the year by adding the results of (1) the pre-production section 471 costs remaining on hand at year end multiplied by a pre-production absorption ratio, and (2) the production section 471 costs remaining on hand at year end multiplied by a production absorption ratio.

.03 Sections 1.263A-2(b)(4), 1.263A-2(c)(4), and 1.263A-3(d)(4) permit a taxpayer changing to or using the simplified production method, the modified simplified production method, or the simplified resale method, respectively, to elect to use a historic absorption ratio in lieu of an actual absorption ratio. However, a taxpayer may make a historic absorption ratio election only if it has used the simplified production method, the modified simplified production method, or the simplified resale method for each of the three preceding taxable years.

.04 Sections 1.263A-2(b)(4)(v)(B) and 1.263A-3(d)(4)(v)(B) provide transition rules for a taxpayer that has elected to use the simplified production method with a historic absorption ratio election or the simplified resale method with a historic absorption ratio election, respectively, to revoke its historic absorption ratio election in its first, second, or third taxable year ending on or after November 20, 2018, under such terms and conditions as may be prescribed by the Commissioner.

.05 Except as otherwise expressly provided by the Code or the regulations thereunder, § 446(e) and § 1.446-1(e)(2) require a taxpayer to secure the consent of the

Commissioner before changing a method of accounting for federal income tax purposes. Section 1.446-1(e)(3)(ii) authorizes the Commissioner to prescribe administrative procedures setting forth the terms and conditions necessary for a taxpayer to obtain consent to a change in method of accounting. Revenue Procedure 2015-13, 2015-5 I.R.B. 419, as clarified and modified by Rev. Proc. 2015-33, 2015-24 I.R.B. 1067, as modified by Rev. Proc. 2016-1, 2016-1 I.R.B. 1, and as modified by Rev. Proc. 2017-59, 2017-48 I.R.B. 543, provides the general procedures by which a taxpayer may obtain automatic consent of the Commissioner to a change in method of accounting described in Rev. Proc. 2018-31.

.06 Section 12.01 of Rev. Proc. 2018-31 provides certain automatic changes for a reseller or reseller-producer, such as a change to a “UNICAP method specifically described in the regulations.” See section 12.01(3)(g) of Rev. Proc. 2018-31.

.07 Section 12.02 of Rev. Proc. 2018-31 provides certain automatic changes for a producer or reseller-producer, such as a change to a “UNICAP method specifically described in the regulations.” See section 12.02(2) of Rev. Proc. 2018-31.

.08 This revenue procedure modifies Rev. Proc. 2018-31 to provide additional automatic method changes under § 1.263A-1, -2, and -3 to assist taxpayers in complying with the final regulations. For example, sections 12.01 and 12.02 of Rev. Proc. 2018-31 are modified to expand the methods of accounting that are included in the list of UNICAP methods specifically described in the regulations and to temporarily permit automatic changes in methods of accounting for certain taxpayers changing from a simplified method with a historic absorption ratio election to a different simplified

method without a historic absorption ratio election, a specific identification method, a burden rate method, or a standard cost method. In addition, Rev. Proc. 2018-31 is modified to add new section 12.17, which provides an automatic change in method of accounting for taxpayers using a simplified method or changing to a simplified method to recharacterize costs in accordance with the characterization requirements of § 1.263A-1(d)(2) and (d)(3), and a new section 12.18, which temporarily permits taxpayers to make an automatic change in method of accounting to revoke a taxpayer's historic absorption ratio election.

### SECTION 3. CHANGES IN METHOD OF ACCOUNTING

.01 In general. A taxpayer that wants to change to one or more of the methods described in this revenue procedure must, if eligible, use the automatic change procedures in Rev. Proc. 2015-13 and Rev. Proc. 2018-31 (or successors), as modified by this revenue procedure.

#### .02 Modifications to existing automatic changes in Rev. Proc. 2018-31.

(1) Sections 12.01(1)(b)(i)-(iv) of Rev. Proc. 2018-31 are modified to read as follows:

##### (b) Inapplicability.

(i) Self constructed assets. This change does not apply to a taxpayer that wants to use either the simplified service cost method, the simplified production method, or the modified simplified production method for self-constructed assets under §§ 1.263A-1(h)(2)(i)(D), 1.263A-2(b)(2)(i)(D), and 1.263A-2(c)(2), respectively.

##### (ii) Historic absorption ratio.

(A) In general. This change does not apply to a taxpayer that (1) wants to make a historic absorption ratio election with the simplified production method, the modified simplified production method, or the simplified resale method under §§ 1.263A-2(b)(4), 1.263A-2(c)(4), or 1.263A-3(d)(4), respectively; (2) wants to revoke an election to use a historic absorption ratio with the simplified production method, the modified simplified production method, or the simplified resale method (see §§ 1.263A-2(b)(4)(iii)(B), 1.263A-2(c)(4), or 1.263A-3(d)(4)(iii)(B), respectively); or (3) uses a historic absorption ratio election with the simplified production method, the modified simplified production method, or the simplified resale method and wants to change to a different method for determining the additional section 263A costs that must be capitalized to ending inventories or other eligible property on hand at the end of the taxable year (that is, to a different simplified method or a facts-and-circumstances method). However, this change applies to a small reseller that wants to change from the simplified resale method with a historic absorption ratio election to a permissible non-UNICAP inventory capitalization method under section 12.01(1)(a)(i) of this revenue procedure.

(B) Transition rule. Notwithstanding the inapplicability rule in section 12.01(1)(b)(ii)(A) of this revenue procedure, for the taxpayer's first, second, or third taxable year ending on or after November 20, 2018, this change applies to:

(1) a reseller or reseller-producer that is using a historic absorption ratio election with the simplified resale method that wants to change to the simplified production method without a historic absorption ratio election, the modified simplified

production method without a historic absorption ratio election, a specific identification method under § 1.263A-1(f)(2), or a burden rate or standard cost method under § 1.263A-1(f)(3); or

(2) a reseller or reseller-producer that is using a historic absorption ratio election with the simplified production method that wants to change to the simplified resale method without a historic absorption ratio election, the modified simplified production method without a historic absorption ratio election, a specific identification method under § 1.263A-1(f)(2), or a burden rate or standard cost method under § 1.263A-1(f)(3).

(iii) Interest capitalization. This change does not apply to a change in method of accounting for interest capitalization (but see section 12.14 of this revenue procedure).

(iv) Recharacterizing costs under the simplified resale method, simplified production method, or modified simplified production method. This change does not include a change to recharacterize section 471 costs, as defined in § 1.263A-1(d)(2), as additional section 263A costs, as defined in § 1.263A-1(d)(3) (or vice versa) for a taxpayer that uses or is changing to the simplified resale method, the simplified production method, or the modified simplified production method. See section 12.17 for certain changes to recharacterize section 471 costs as additional section 263A costs (or vice versa).

(2) Section 12.01(2) of Rev Proc. 2018-31 is modified to read as follows:

(2) Eligibility rules.

(a) Certain eligibility rules inapplicable. The eligibility rule in section 5.01(1)(f) of Rev. Proc. 2015-13, 2015-5 I.R.B. 419, does not apply to the changes described in section 12.01(1)(a)(i) and (ii) of this revenue procedure.

(b) Certain eligibility rules temporarily inapplicable. The eligibility rule in section 5.01(1)(f) of Rev. Proc. 2015-13 does not apply to a taxpayer that wants to make one or more changes in method of accounting under section 12.01 of this revenue procedure for the taxpayer's first, second, or third taxable year ending on or after November 20, 2018.

(3) Section 12.01(3)(g) of Rev. Proc. 2018-31 is modified to read as follows:

(g) "A UNICAP method specifically described in the regulations" does not include any other reasonable allocation method within the meaning of § 1.263A-1(f)(4).

However, a "UNICAP method specifically described in the regulations" includes:

(i) the 90-10 de minimis rule to allocate a mixed service department's costs to resale activities (§ 1.263A-1(g)(4)(ii));

(ii) the 1/3 - 2/3 rule to allocate labor costs of personnel to purchasing activities (§ 1.263A-3(c)(3)(ii)(A));

(iii) the 90-10 de minimis rule to allocate a dual-function storage facility's costs to property acquired for resale (§ 1.263A-3(c)(5)(iii)(C));

(iv) the specific identification method (§ 1.263A-1(f)(2));

(v) the burden rate method (§ 1.263A-1(f)(3)(i));

(vi) the standard cost method (§ 1.263A-1(f)(3)(ii));

(vii) the direct reallocation method (§ 1.263A-1(g)(4)(iii)(A));



- (viii) the step-allocation method (§ 1.263A-1(g)(4)(iii)(B));
- (ix) the simplified service cost method (§ 1.263A-1(h)) (with either a labor-based allocation ratio or a production cost allocation ratio);
- (x) the simplified resale method without a historic absorption ratio election (§ 1.263A-3(d));
- (xi) the alternative method to determine amounts of section 471 costs by using a taxpayer's financial statement (§ 1.263A-1(d)(2)(iii));
- (xii) the method to determine amounts of section 471 costs by using the amounts incurred in the taxable year for federal income tax purposes (§ 1.263A-1(d)(2)(i));
- (xiii) the safe harbor method for certain variances and under or over- applied burdens (§ 1.263A-1(d)(2)(v));
- (xiv) the removal of one or more costs from section 471 costs as required in § 1.263A-1(d)(2)(vi);
- (xv) the removal of one or more costs from section 471 costs using negative adjustments to additional section 263A costs as permitted in § 1.263A-1(d)(3)(ii)(B);
- (xvi) the de minimis rule for certain direct labor costs (§ 1.263A-1(d)(2)(iv)(B));
- (xvii) the de minimis rule for certain direct material costs (§ 1.263A-1(d)(2)(iv)(C));
- (xviii) the simplified production method without a historic absorption ratio election (§ 1.263A-2(b));

(xix) the modified simplified production method without a historic absorption ratio election (§ 1.263A-2(c));

(xx) the direct material costs or pre-production labor costs allocation methods for capitalizable mixed service costs under the modified simplified production method (§ 1.263A-2(c)(3)(iii)(B)); and

(xxi) the 90-10 de minimis rule to allocate capitalizable mixed service costs under the modified simplified production method (§ 1.263A-2(c)(3)(iii)(C)).

(4) Section 12.02(1)(b) of Rev. Proc. 2018-31 is modified as follows:

(b) Inapplicability.

(i) Self constructed assets. This change does not apply to a taxpayer that wants to use either the simplified service cost method, the simplified production method, or the modified simplified production method for self-constructed assets under §§ 1.263A-1(h)(2)(i)(D), 1.263A-2(b)(2)(i)(D), and 1.263A-2(c)(2), respectively.

(ii) Historic absorption ratio.

(A) In general. This change does not apply to a taxpayer that (1) wants to make a historic absorption ratio election with the simplified production method or the modified simplified production method under §§ 1.263A-2(b)(4) or 1.263A-2(c)(4), respectively; (2) wants to revoke an election to use a historic absorption ratio with the simplified production method or the modified simplified production method (see §§ 1.263A-2(b)(4)(iii)(B) or 1.263A-2(c)(4), respectively); or (3) uses a historic absorption ratio election with the simplified production method or the modified simplified production method and wants to change to a different method for determining the

additional section 263A costs that must be capitalized to ending inventories or other eligible property on hand at the end of the taxable year (that is, to a different simplified method or a facts-and-circumstances method).

(B) Transition rule. Notwithstanding the inapplicability rule in section 12.02(1)(b)(ii)(A) of this revenue procedure, for the taxpayer's first, second, or third taxable year ending on or after November 20, 2018, this change applies to a taxpayer that is using the simplified production method with a historic absorption ratio election that wants to change to the modified simplified production method without a historic absorption ratio election, a specific identification method under § 1.263A-1(f)(2), or a burden rate or standard cost method under § 1.263A-1(f)(3).

(iii) Interest capitalization. This change does not apply to a change in method of accounting for interest capitalization (but see section 12.14 of this revenue procedure).

(iv) Recharacterizing costs under the simplified production method or modified simplified production method. This change does not include a change to recharacterize section 471 costs, as defined in § 1.263A-1(d)(2), as additional section 263A costs, as defined in § 1.263A-1(d)(3), (or vice versa) for a taxpayer that uses or is changing to the simplified production method or the modified simplified production method. See section 12.17 for certain changes to recharacterize section 471 costs as additional section 263A costs (or vice versa).

(v) Reseller-producer using the simplified resale method. This change does not apply to a reseller-producer that uses or is changing to the simplified resale method

under § 1.263A-3(d) (but see section 12.01(1) of this revenue procedure for certain changes that may be made by a reseller-producer).

(5) Section 12.02(2) of Rev. Proc. 2018-31 is modified to read as follows:

(2) Definition. A “UNICAP method specifically described in the regulations” does not include the simplified resale method under § 1.263A-3(d)(4) or any other reasonable allocation method within the meaning of § 1.263A-1(f)(4). However, a “UNICAP method specifically described in the regulations” includes:

(a) the 90-10 de minimis rule to allocate a mixed service department's costs to production or resale activities (§ 1.263A-1(g)(4)(ii));

(b) the 1/3 - 2/3 rule to allocate labor costs of personnel to purchasing activities (§ 1.263A-3(c)(3)(ii)(A));

(c) the 90-10 de minimis rule to allocate a dual-function storage facility's costs to property acquired for resale (§ 1.263A-3(c)(5)(iii)(C));

(d) the specific identification method (§ 1.263A-1(f)(2));

(e) the burden rate method (§ 1.263A-1(f)(3)(i));

(f) the standard cost method (§ 1.263A-1(f)(3)(ii));

(g) the direct reallocation method (§ 1.263A-1(g)(4)(iii)(A));

(h) the step-allocation method (§ 1.263A-1(g)(4)(iii)(B));

(i) the simplified service cost method (§ 1.263A-1(h)) (with either a labor-based allocation ratio or a production cost allocation ratio);

(j) the simplified production method without a historic absorption ratio election (§ 1.263A-2(b));

(k) the alternative method to determine amounts of section 471 costs by using a taxpayer's financial statement (§ 1.263A-1(d)(2)(iii));

(l) the method to determine amounts of section 471 costs by using the amounts incurred in the taxable year for federal income tax purposes (§ 1.263A-1(d)(2)(i));

(m) the safe harbor method for certain variances and under or over-applied burdens (§ 1.263A-1(d)(2)(v));

(n) the removal of one or more costs from section 471 costs as required in § 1.263A-1(d)(2)(vi);

(o) the removal of one or more costs from section 471 costs using negative adjustments to additional section 263A costs as permitted in § 1.263A-1(d)(3)(ii)(B);

(p) the de minimis rule for certain direct labor costs (§ 1.263A-1(d)(2)(iv)(B));

(q) the de minimis rule for certain direct material costs (§ 1.263A-1(d)(2)(iv)(C));

(r) the modified simplified production method without a historic absorption ratio election (§ 1.263A-2(c)(3));

(s) the direct material costs or pre-production labor costs allocation methods for capitalizable mixed service costs under the modified simplified production method (§ 1.263A-2(c)(3)(iii)(B)); and

(t) the 90-10 de minimis rule to allocate capitalizable mixed service costs under the modified simplified production method (§ 1.263A-2(c)(3)(iii)(C)).

(6) Section 12.02 of Rev. Proc. 2018-31 is modified to add new section 12.02(4) to read as follows, and renumber existing sections 12.02(4) and 12.02(5) as sections 12.02(5) and 12.02(6), respectively:

(4) Eligibility rule temporarily inapplicable. The eligibility rule in section 5.01(1)(f) of Rev. Proc. 2015-13 does not apply to a taxpayer that wants to make one or more changes in method of accounting under section 12.02 of this revenue procedure for the taxpayer's first, second, or third taxable year ending on or after November 20, 2018.

.03 New automatic changes in Rev. Proc. 2018-31.

(1) Section 12 of Rev. Proc. 2018-31 is modified to add new section 12.17 to read as follows:

.17 Recharacterizing costs under the simplified resale method, simplified production method, or the modified simplified production method.

(1) Description of change.

(a) Applicability. This change applies to a taxpayer that uses or is changing to the simplified production method, the modified simplified production method, or the simplified resale method under §§ 1.263A-2(b), 1.263A-2(c), and 1.263A-3(d), respectively, and that wants to recharacterize a section 471 cost, as defined in § 1.263A-1(d)(2), as an additional section 263A cost, as defined in § 1.263A-1(d)(3), or vice versa, in accordance with the characterization requirements of § 1.263A-1(d)(2) and (d)(3). For example, this change applies to a taxpayer using the modified simplified production method that treats a direct cost of property produced or property acquired for resale as an additional section 263A cost and that wants to change to characterize the direct cost as a section 471 cost, as required by § 1.263A-1(d)(2)(ii).

(b) Inapplicability. This change does not apply to a change in method of accounting that is described in another section of this revenue procedure or in other

guidance published in the IRB. For example, this change does not apply to a taxpayer that wants to make a change described in section 12.01 or 12.02 of this revenue procedure, such as a change to use the methods described in § 1.263A-1(d)(2)(iv), (v), or (vi), § 1.263A-2(b), § 1.263A-2(c), or § 1.263A-3(d).

(2) Restatement of financial statement. A taxpayer's restatement of its financial statement does not invalidate the taxpayer's method of accounting or change its determination of section 471 costs in earlier taxable years.

(3) Certain eligibility rule inapplicable. The eligibility rule in section 5.01(1)(f) of Rev. Proc. 2015-13 does not apply to a taxpayer that wants to make a change in method of accounting under section 12.17 of this revenue procedure for the taxpayer's first, second, or third taxable year ending on or after November 20, 2018.

(4) Reduced filing requirement. A taxpayer is required to complete only the following information on Form 3115 (Rev. December 2015) to make this change:

- (a) The identification section of page 1 (above Part I);
- (b) The signature section at the bottom of page 1;
- (c) Part I;
- (d) Part II, all lines except lines 13, 15b, 16c, and 19;
- (e) Part IV, all lines except line 25; and
- (f) Schedule D, all Parts except Part I.

(5) Limitation. If a taxpayer making this change in method of accounting uses a historic absorption ratio election under §§ 1.263A-2(b)(4), 1.263A-2(c)(4), or 1.263A-3(d)(4), and the change in the characterization of cost(s) under this section affects any

part of the taxpayer's historic absorption ratio, the taxpayer must revise its previous and current historic absorption ratios. To revise its historic absorption ratios, the taxpayer must apply its proposed method of accounting during the test period, during all recomputation years, and during all updated test periods to determine the section 471 costs and additional section 263A costs that were incurred. The revised historic absorption ratios must be used to revalue beginning inventory and must be accounted for in the taxpayer's § 481(a) adjustment. The taxpayer must use a method described in § 1.263A-7(c) to revalue beginning inventory.

(6) Concurrent automatic changes. A taxpayer making both this change and another automatic change under § 263A for the same year of change may file a single Form 3115 for both changes, provided the taxpayer enters the designated automatic change numbers for both changes on the appropriate line of that Form 3115 and complies with the ordering rules of § 1.263A-7(b)(2). See section 6.03(1)(b) of Rev. Proc. 2015-13 for information on making concurrent changes.

(7) Designated automatic accounting method change number. The designated automatic accounting method change number for a change under this section 12.17 is "237."

(8) Contact information. For further information regarding a change under this section, contact Natasha Mulleneaux at (202) 317-7003 (not a toll-free number).

(2) Section 12 of Rev. Proc. 2018-31 is modified to add new section 12.18 to read as follows:

.18 Revocation of a historic absorption ratio election.



(1) Description of change. This change applies to a taxpayer that uses the simplified resale method with a historic absorption ratio election that wants to revoke its historic absorption ratio election and change to the simplified resale method without a historic absorption ratio. This change also applies to a taxpayer that uses the simplified production method with a historic absorption ratio election that wants to revoke its historic absorption ratio election and change to the simplified production method without a historic absorption ratio. This change applies to a revocation of the simplified resale method with a historic absorption ratio election or the simplified production method with a historic absorption ratio election regardless of whether the year of change is during the taxpayer's qualifying period.

(2) Limited applicability. This change is the exclusive procedure for a taxpayer on the simplified production method with a historic absorption ratio election or the simplified resale method with a historic absorption ratio election that wants to revoke its historic absorption election under the transition rules of §§ 1.263A-2(b)(4)(v)(B) and 1.263A-3(d)(4)(v)(B). This change is applicable only for the taxpayer's first, second, or third taxable year ending on or after November 20, 2018. A taxpayer that complies with the requirements of this section 12.18 will be deemed to have obtained the consent of the Commissioner to make a revocation of its historic absorption ratio election under § 446(e).

(3) Certain eligibility rules temporarily inapplicable. The eligibility rule in section 5.01(1)(f) of Rev. Proc. 2015-13 does not apply for the taxpayer's first, second or third taxable year ending on or after November 20, 2018.

(4) Manner of making change.

(a) Cut-off basis. This change is made on a cut-off basis. Accordingly, a § 481(a) adjustment is neither permitted nor required.

(b) No audit protection. A taxpayer does not receive audit protection under section 8.01 of Rev. Proc. 2015-13 in connection with this change if the taxpayer's revocation of a historic absorption ratio election is during a qualifying period, or extended qualifying period. See section 8.02(2) of Rev. Proc. 2015-13.

(5) Concurrent automatic changes. A taxpayer making both this change and another automatic change under § 263A for the same year of change may file a single Form 3115 for both changes, provided the taxpayer enters the designated automatic change numbers for both changes on the appropriate line of that Form 3115 and complies with the ordering rules of § 1.263A-7(b)(2). See section 6.03(1)(b) of Rev. Proc. 2015-13 for information on making concurrent changes.

(6) Designated automatic accounting method change number. The designated automatic accounting method change number for a change under this section 12.18 is "238."

(7) Contact information. For further information regarding a change under this section, contact Natasha Mulleneaux at (202) 317-7003 (not a toll-free number).

#### SECTION 4. EFFECTIVE DATE

This revenue procedure is effective for taxable years ending on or after November 20, 2018.

#### SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2018-31 is modified and amplified.

#### SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Natasha Mulleneaux of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, contact Ms. Mulleneaux at (202) 317-7003 (not a toll-free call).