In January 2002 the IRS issued Rev. Proc. 2002-9 that makes it much easier for taxpayers to change the reporting of CCC loans from income to loans. Code Section 77 allows a taxpayer to elect reporting CCC loan proceeds as income in the year the loan proceeds are received, instead of treating the loan as a loan. However, the election once made is applicable to all CCC loans in that tax year and all subsequent taxable years, unless permission is obtained from the IRS to switch back to treating CCC loans as loans, i.e. deferring the reporting of income.

For tax years ending on or after December 31, 2001, the IRS has ruled taxpayers reporting CCC loans as income under Section 77 can switch automatically to treating CCC loans as loans. For CCC loans still outstanding and taken out prior to the tax year of the change, those loans are to be treated as if the election to report loans as income was still in effect.