

June 28, 2019

Ms. Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

By e-mail: director@fasb.org

Re: Proposed Accounting Standards Update—*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*

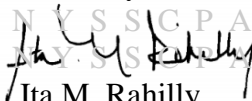
(File Reference No. 2019-700)

Dear Ms. Cospers:

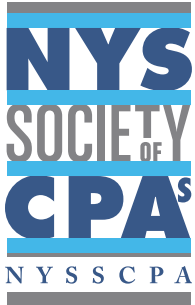
The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 24,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed accounting standards update and prepared the attached comments. If you would like additional discussion with us, please contact Jeffrey A. Keene, Chair of the Financial Accounting Standards Committee, at (732) 750-0900, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,


Ita M. Rahilly
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**PROPOSED ACCOUNTING STANDARDS UPDATE—*INCOME TAXES (TOPIC 740):
SIMPLIFYING THE ACCOUNTING FOR INCOME TAXES***

(File Reference No. 2019-700)

June 28, 2019

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Jeffrey A. Keene
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New York State Society of Certified Public Accountants

Comments on

Proposed Accounting Standards Update—*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*

(File Reference No. 2019-700)

We welcome the opportunity to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on Proposed Accounting Standards Update—*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* (proposed Update).

General Comments

Topic 740 includes many transactions with specific considerations that are not frequently encountered by the reporting entity. This increases the risk of error and costs in applying Topic 740. We support the continued review of Topic 740 for areas that can be simplified or revised to reduce compliance costs.

Specific Comments

Our responses to the Questions for Respondents are presented below.

Question 1: Do you agree that the amendments in this proposed Update would simplify the accounting for income taxes? If not, please explain which proposed amendment(s) you disagree with and why.

Response: We agree that the amendments in this proposed Update will simplify the accounting for income taxes.

Question 2: Do the proposed amendments maintain or improve the usefulness of information provided to users? Alternatively, would the proposed amendments result in the elimination of decision-useful information? Please explain why or why not.

Response: We believe that the proposed amendments will maintain or improve the usefulness of information provided to users. The proposed amendments are generally targeted to specific transactions for which the existing rules are not intuitive. The proposed amendments simplify the application of the accounting rules, provide better disclosure and will result in consistency in application between preparers. As such, we believe that the amendments will result in decision-useful information.

Question 3: Are the proposed amendments operable and auditable? If not, which aspects pose operability or auditability issues and why? Would any of the proposed amendments impose significant incremental costs? If so, please describe the nature and extent of the additional costs.

Response: The proposed amendments are operable and auditable. We also believe the proposed amendments will not impose significant incremental costs. If anything, these amendments should result in reduced costs

Question 4: Are the transition requirements and transition disclosures for the proposed amendments appropriate? If not, what transition approach or transition requirements would be more appropriate and why?

Response: The transition requirements and transition disclosures for the proposed amendments are appropriate.

Question 5: How much time would be needed to adopt the proposed amendments? Should early adoption be permitted? Should entities other than public business entities be provided with an additional year to implement the proposed amendments? Why or why not?

Response: The time required to adopt the proposed amendments will be dependent upon the complexity of the reporting entity's tax structure and the related transaction structure. In some cases, the costs and time of implementation may be high but would likely be of a one-time nature and would generally result in reduced costs and time on an ongoing basis. In other cases, we do not expect the time required to be unreasonable when balanced against the existing tax structure and transaction structure.

We believe early adoption should be permitted. When appropriate, reporting entities should be permitted to utilize these simplified rules as soon as they are available. We also believe that other than public business entities should be provided with an additional year to implement the proposed amendments. This will allow for additional analysis of the amendment and evaluation of how public business entities applied the rules.