

Letter of Comment No: 3
File Reference: FSPFAS109

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Certified Management Accountant Program
Certified in Financial Management Program

December 1, 2004

Ms. Suzanne Bielstein
Director of Major Projects and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5116

Subject: File Reference No. 1102-100

Dear Ms. Bielstein:

The Financial Reporting Committee of the Institute of Management Accountants is pleased to provide comments on Proposed FASB Staff Position Nos. FAS 109-a, Application of FASB Statement 109, *Accounting for Income Taxes*, for the Tax Deduction Provided to U.S. Based Manufacturers by the American Jobs Creation Act of 2004 (FSP 109-a), and 109-b, Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 (FSP 109-b).

We agree with the Staff's tentative conclusions in FSP 109-a. Specifically, we agree that the domestic manufacturing deduction is based on performance of specific activities in current and future years, including the respective future wages and other manufacturing activities. As such, the deduction is similar to special deductions in paragraph 231 of Statement 109, and should be accounted for as a special deduction. We do not believe it would be appropriate to account for the special deduction as a tax rate reduction.

We are also generally supportive of the Staff's tentative conclusions in FSP 109-b. We would, however, revise the disclosure requirement in paragraph 11(b). Due to the reasons discussed by the Staff in the background (paragraph 2), companies may not be in a position to reasonably estimate their repatriation plans, particularly in the period prior to Congress or Treasury providing clarifying language. For perspective, the range of potential repatriation amounts for a

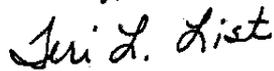
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number of companies could range from no repatriation at all to a substantial portion of their unremitted foreign earnings, depending on whether or not certain aspects are clarified. In such cases, we believe disclosing the ranges would be of little value to users. Accordingly, we believe paragraph 11(b) should be revised to provide that if the amounts being considered for repatriation and the related potential taxes are not estimable within a reasonable range, the Company should state that fact, along with the reasons for not being able to make a reasonable estimate.

We appreciate your consideration of our comments. Please feel free to contact me at (513) 983-3874 if you have any questions regarding the issues discussed in this letter.

Sincerely,



Teri L. List
Chair, Financial Reporting Committee
Institute of Management Accountants