

Letter of Comment No: 60  
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September 12, 2005

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

**Re: FASB Project on Uncertain Tax Positions – an interpretation of FASB Statement No. 109**

Huntington Bancshares Incorporated appreciates the opportunity to respond to the proposed FASB Statement Accounting for Uncertain Tax Positions – an interpretation of FASB Statement No. 109. We have prepared comments addressing several of the issues identified by the FASB within the exposure draft.

Huntington Bancshares Incorporated is a \$33 billion regional bank holding company headquartered in Columbus, Ohio. Its principal markets are Ohio, Michigan, West Virginia, Indiana, and Kentucky.

In addition to participating in the drafting of the comment letter by the American Bankers Association, we would like to address several key topics of concern to us.

Of primary importance, we believe this standard should be delayed until 2006. The adoption of this standard, in its current form, or a modified version, will require substantial effort. A significant amount of time will need to be spent documenting the policies and procedures supporting all tax positions taken in all tax jurisdictions in order to comply with the Sarbanes Oxley Section 404 documentation requirements.

We are also concerned with the timing of the recognition of the tax reserves under the proposed Interpretation. The establishment of the probable standard may result in an overaccrual of taxes in the early years, with a reversal of these liabilities in the later years. A measurement more consistent with the economic reality of the transactions seems more appropriate for financial statement presentation.

**Response to Issue 3:**

Although in theory, Huntington agrees with the concept of using a probable threshold for recognizing tax benefits, we foresee significant difficulties in practice. We believe the measurement for financial recognition is still unclear. Interpretation by internal tax departments and external audit firms relating to the “probable” measure may differ each period, which can result in the overstatement or understatement of the recorded tax liability. This threshold may require accounting treatment that does not match the economic realities of the tax position. The clarification of the probable standard (in terms of specific percentage of anticipated success) or the establishment of a more likely than

not threshold would allow companies to match more closely their anticipated benefit with the financial presentation.

**Response to Issue 11**

Under the requirements of the Sarbanes Oxley Act, it would be difficult to document all policies and procedures necessary to comply with this new standard. In addition, the testing of these procedures both by internal audit and our external audit would prove cumbersome. An effective date of end of year 2006 would permit sufficient time to document all required positions and have these controls sufficiently tested.

We appreciate the opportunity to express our views on the Proposed FASB Statement. If you have any questions regarding our comments, please contact me at (614) 480-5240.

Sincerely,

Don Kimble  
Chief Financial Officer and Controller