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LETTER OF COMMENT NO. 270

January 8, 2007

Mr. Robert H. Herz  
Chairman, Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Chairman Herz:

On behalf of Kimball International, Inc., I strongly urge the Financial Accounting Standards Board to delay the effective date of FIN 48 on *Accounting for Uncertainty in Income Taxes* to allow companies sufficient time to address the substantive, procedural, and documentation challenges posed by the new interpretation. Specifically, I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007. The challenges of implementing FIN 48 were articulated by the Tax Executives Institute in a letter it sent to you on December 12, 2006.

FIN 48 is intended to clarify the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with FASB 109 (SFAS 109), *Accounting for Income Taxes*. When adopting FIN 48, a company must identify its material tax positions for all open years and for every tax jurisdiction. Several important issues remain unresolved, such as to the extent "highly certain tax positions" must be documented. Due to the short time frame available and the magnitude of work required to comply with FIN 48, it would appear reasonable to question whether this standard will be consistently applied.

In summary, extending the deadline for implementing FIN 48 will permit companies and their independent auditors to resolve unanswered questions and thus reduce the likelihood of diversity in practice, which in part prompted the development of FIN 48 in the first instance.

Respectfully,

Terry L. Flick  
Director of Corporate Taxes  
Kimball International, Inc.