



June 17, 2009

Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: Proposed FSP FIN 48-d

Dear Mr. Golden:

The Accounting Principles Committee of the Illinois CPA Society (Committee) appreciates the opportunity to provide our perspective on the proposed FASB Staff Position to delay the effective date of FIN 48, *Accounting for Uncertainty in Income Taxes*, for certain nonpublic enterprises, including nonpublic not-for-profit organizations.

The Committee is a voluntary group of CPAs from public practice, industry and education. Our comments represent the collective views of the Committee members and not the individual view of the members or the organizations with which they are affiliated. The organization and operating procedures of our Committee are outlined in Appendix A to this letter.

We agree with the Board's decision to modify the disclosure requirements of FIN 48 as this will be beneficial for nonpublic enterprises. We commend the Board for listening to the voice of the PCFRC and nonpublic entity financial statement users and following through on its earlier commitment to proceed in this area. We also commend the Board for incorporating examples that touch upon some of the more complex areas for non-issuers.

One remaining area where we see an increased cost and burden on a preparer that we do not believe would provide benefits to users of financial statements is the requirement that so-called "tax-exempt not-for-profit" entities that are public debt conduits as defined in FSP FAS 126-1 would be required to provide full disclosure as an issuer would be required to provide. While we believe this requirement is also over-burdensome for taxable entities, for tax-exempt not-for-profit entities it could be overwhelming. Many such entities are smaller organizations, with little staff for preparing the required computations and disclosures. They generally would rely on



their accounting firms for assistance. The accounting firm may be precluded from assisting its client due to independence standards. Thus, the tax-exempt not-for-profit entity would likely have to engage, at significant cost, another accounting firm to prepare this information.

Finally, we wish to restate a position we took in our prior letters regarding FIN 48, dated January 18 and December 3, 2008. Specifically, we continue to believe the cumulative probability model for non-issuing entities is overly complex, burdensome and costly. While the Board has made significant progress by reducing onerous disclosure requirements for such entities, the Committee believes that the current model is not appropriate for non-issuers. As we stated in our original letter:

“The Committee believes that the cumulative probability determination of the liability for unrecognized tax benefits will be a burdensome requirement for most nonpublic enterprises. For example, it may require the engagement, at significant cost, of additional accounting experts to assist in the determination of the FIN 48 liability in order for the entity’s auditor to remain independent. We continue to believe that a more rational and reasonable approach to determining the liability is the SFAS 5 model, being reflective of management’s best estimate of the tax that will ultimately be paid and should be reflective of the outcome that will be achieved in total.”

With adequate disclosure of the considerations involved in determining the liability for unrecognized tax benefits and the related FAS 5 considerations, we believe that the preparers, users and auditors of non-issuers will be better served with more useful information at a reasonable cost to the entity.

We appreciate the opportunity to offer our comments.

Sincerely,

Reva Steinberg, CPA
Chair, Accounting Principles Committee



ILLINOIS CPA SOCIETY

APPENDIX A
ILLINOIS CPA SOCIETY
ACCOUNTING PRINCIPLES COMMITTEE
ORGANIZATION AND OPERATING PROCEDURES
2009-2010

The Accounting Principles Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members appointed from industry, education and public accounting. These members have Committee service ranging from newly appointed to more than 20 years. The Committee is an appointed senior technical committee of the Society and has been delegated the authority to issue written positions representing the Society on matters regarding the setting of accounting standards. The Committee's comments reflect solely the views of the Committee, and do not purport to represent the views of their business affiliations.

The Committee usually operates by assigning Subcommittees of its members to study and discuss fully exposure documents proposing additions to or revisions of accounting standards. The Subcommittee ordinarily develops a proposed response that is considered, discussed and voted on by the full Committee. Support by the full Committee then results in the issuance of a formal response, which at times, includes a minority viewpoint.

Current members of the Committee and their business affiliations are as follows:

Public Accounting Firms:

Large: (national & regional)

James J. Gerace, CPA	BDO Seidman LLP
John A. Hepp, CPA	Grant Thornton LLP
Alvin W. Herbert, Jr., CPA	Retired/Clifton Gunderson LLP
Matthew G. Mitzen, CPA	Blackman Kallick LLP
Reva B. Steinberg, CPA	BDO Seidman LLP
Jeffrey P. Watson, CPA	Blackman Kallick LLP

Medium: (more than 40 employees)

Barbara Dennison, CPA	Selden Fox, Ltd.
Marvin A. Gordon, CPA	Frost, Ruttenberg & Rothblatt, P.C.
Ronald R. Knakmuhs, CPA	Miller, Cooper & Co. Ltd.
Kathleen A. Musial, CPA	BIK & Co, LLP

Industry:

John M. Becerril, CPA	Cabot Microelectronics
Melinda S. Henbest, CPA	The Boeing Co.
James B. Lindsey, CPA	TTX Company
Michael J. Maffei, CPA	GATX Corp.
Laura T. Naddy, CPA	Gaming Capital Group
Anthony Peters, CPA	McDonald's Corporation

Educators:

James L. Fuehrmeyer, Jr. CPA	University of Notre Dame
David L. Senteney, CPA	Ohio University
Leonard C. Soffer, CPA	University of Chicago

Staff Representative:

Paul E. Pierson, CPA	Illinois CPA Society
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