Altria

Altria Group, Inc.
120 Park Avenue, New York, NY 10017
(917) 663-4000

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Mr. Lawrence W. Smith
Director of Technical Application and I
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 18
File Reference: FSPFAS109

Re: Comments on the proposed FASB Staff Position No. 109-a, "Application of FASB Statement No. 109, 'Accounting for Income Taxes,' for the Tax Deduction Provided to U.S. Based Manufacturers by the American Jobs Creation Act of 2004"

Dear Mr. Smith:

We appreciate the opportunity to comment on the proposed FASB Staff Position No. 109-a, "Application of FASB Statement No. 109, 'Accounting for Income Taxes,' for the Tax Deduction Provided to U.S. Based Manufacturers by the American Jobs Creation Act of 2004" (the "Proposed FSP"). This letter summarizes our positions and comments on the proposed FSP.

Accounting Treatment

We agree with the Proposed FSP that the domestic manufacturing deduction's characteristics are similar to special deductions illustrated in paragraph 231 of FASB Statement No. 109 because the domestic manufacturing deduction is based on future performance of specific activities, including the level of wages. Accordingly, we agree that the deduction provided for under the American Jobs Creation Act of 2004 should be treated as a special deduction rather than a tax rate reduction.

Effective Date and Transition

We also agree with the proposed effective date.

If you have any questions, or would like to discuss further, please do not hesitate to contact me.

Very truly yours,

Joseph A. Tiesi
Vice President and Controller