

1960 | North 27th Avenue • Phoenix, Arizona 85027 • (623) 580-6100

## LETTER TO FASB CHAIRMAN HERZ SUPPORTING FIN 48 DELAY

January 4, 2007

Mr. Robert H. Herz Chairman, Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 96856-5116



LETTER OF COMMENT NO. 137

Dear Chairman Herz:

On behalf of PetSmart, I strongly urge the FASB to delay the effective date of FIN 48 on *Accounting for Uncertainty in Income Taxes* to allow companies, like PetSmart, sufficient time to address the substantive, procedural, and documentation challenges posed by this new interpretation.

Some of the challenges of implementing FIN 48 were articulated by Tax Executives Institute in a letter sent you on December 12, 2006. We perceive a dramatic inconsistency in the intended scope as described by the FASB, the SEC Staff and others, compared with the guidance promoted by the major accounting firms. I believe significant pressures exist to be overly conservative in the implementation of FIN 48, even at the expense of common sense. Such an excess is not likely to result in financial statements that are more useful or understandable to the reader.

I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007.

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,

Stephen Roberts

Director of Income Tax

PetSmart, Inc.