September 29, 2016

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

Via email to:  director@fasb.org


Dear Technical Director:

The Accounting and Auditing Standards Interest Group of the New Jersey Society of Certified Public Accountants (NJCPA) appreciates this opportunity to comment on the proposed Accounting Standards Update (ASU), Disclosure Framework-Changes to the Disclosure Requirements for Income Taxes. The NJCPA represents over 15,000 certified public accountants and prospective CPAs. The comments herein represent those of some of the individuals of our Accounting and Auditing Standards Interest Group only and do not necessarily reflect the views of all members of the NJCPA. The Accounting and Auditing Standards Interest Group is mainly comprised of CPAs in public practice serving predominantly nonpublic entities.

Overall, our group is supportive of the proposed disclosures for public business entities. We believe the proposed disclosures will result in more effective, decision-useful information about income taxes for those entities. We do not believe that entities other than public business entities should be required to provide the additional disclosures proposed for those entities. In general, we do not think that the users of the financial statements of those entities would be interested in the expanded disclosures. We also believe that providing some of the additional disclosures could be costly to implement, especially for smaller entities, which may outweigh the benefit of providing those disclosures.

There has been some confusion between users, preparers of financial statements, auditors, and peer reviewers related to the disclosure of open tax years subject to examination. To alleviate the confusion among some constituents, we suggest that ASC 740-10-50-15 should be clarified to explicitly state in the first sentence,” An entity with an unrecognized tax benefit shall disclose……….”.
We wish to thank the FASB for this opportunity to comment on the proposed Accounting Standards Update.

Very truly yours,

Elizabeth B. Harper, CPA, Leader
Accounting and Auditing Standards Interest Group
New Jersey Society of Certified Public Accountants

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