VIA E-mail (director@fasb.org) and U.S. Mail

May 29, 2015

Ms. Susan M. Cosper
Technical Director
File Reference No. 2015-210 – II
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Proposed Accounting Standards Update, Income Taxes (Topic 740)
II. Balance Sheet Classification of Deferred Taxes, File Reference No. 2015-210 – II

Dear Ms. Cosper:

The Retail Industry Leaders Association ("RILA"), its Financial Leaders Council ("FLC"), and its Tax Committee are pleased to respond to the Proposed Accounting Standards Update, Income Taxes (Topic 740); II. Balance Sheet Classification of Deferred Taxes, issued on January 22, 2015 (the "Exposure Draft"). RILA is the trade association of the world’s largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than $1.5 trillion in annual sales and millions of American jobs.

The Board’s proposal attempts to simplify the presentation of deferred income taxes by requiring that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The proposal would align the presentation of deferred income tax assets and liabilities with International Financial Reporting Standards. The proposal would not amend the current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount. We thank you for the opportunity to comment on the Exposure Draft. RILA, its FLC, and its Tax Committee support the proposed changes and offer our specific comments below.

**Question 1: Should all deferred income tax liabilities and assets be presented as noncurrent in a classified statement of financial position? If not, why, and what alternatives should the Board consider, and what is the conceptual basis for the alternatives?**

RILA, its FLC and its Tax Committee agree that deferred tax liabilities and assets should be classified as noncurrent in a classified statement of financial position. Practically speaking, the current requirement to separate deferred income tax liabilities and assets into current and noncurrent amounts results in little or no benefit to users of financial statements, because the classification may not align with the time period in which the recognized deferred tax amounts are expected to be recovered or settled. Moreover, there are costs for an entity to separate deferred income tax liabilities and assets into a current and noncurrent amount. We support the Exposure Draft.
Questions 2: Should the proposed guidance be applied on a prospective basis?

Prospective application to deferred income tax liabilities and assets is appropriate because it simplifies the transition, particularly in light of the fact that the current presentation of deferred income taxes, separating deferred income tax liabilities and assets into current and noncurrent amounts, provides little or no additional information to users of financial statements anyway.

Question 3: Should the amendments in this proposed Update be effective for—

a. Public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2016;

b. All other entities for annual periods beginning after December 15, 2017, and interim periods in annual periods beginning after December 15, 2018, with early adoption permitted, but not before the effective date for public business entities?

The proposed effective date without early adoption for public business entities, and without early adoption for all other entities before the effective date for public business entities, is appropriate. Given that this is a simplification proposal, there would not seem to be any need to confuse the timing and consistency of presentation for users of financial statements.

Question 4: What would be the expected transition costs of adopting the guidance in the proposed Update? What would be the expected recurring costs of applying the proposed guidance compared with the costs of apply current GAAP?

Because the proposal eliminates the costs for an entity to separate deferred income tax liabilities and assets into a current and noncurrent amount, there would not seem to be any transition costs. RILA, its FLC and its Tax Committee have not quantified the costs of applying current GAAP; however, it would seem that all costs required to apply current GAAP, separating deferred income tax liabilities and assets into a current and noncurrent amount, would be eliminated by adopting the guidance in the proposal.

* * *

In conclusion, we agree with the proposal set forth in the Exposure Draft. We thank you for the opportunity to comment on this proposal.

Respectfully submitted,

Susan M. Pifer, C.P.A., J.D.
Vice President, Compliance
Retail Industry Leaders Association (RILA)