June 24, 2019

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

Submitted via email to director@fasb.org

Re: Proposed Accounting Standards Update, Simplifying the Accounting for Income Taxes (File Reference No. 2019-700)

Dear Technical Director:

The Virginia Society of CPAs (VSCPA) Accounting & Auditing Advisory Committee has reviewed the proposed accounting standard update issued May 14, 2019, Simplifying the Accounting for Income Taxes, issued by the Financial Accounting Standards Board (FASB). The VSCPA is a leading professional association dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism, and advocating members’ interests. The VSCPA membership consists of more than 13,000 individual members who actively work in public accounting, private industry, government and education. We appreciate the work the FASB has undertaken on this effort and the opportunity to respond to this proposed statement.

We support FASB’s efforts to reduce cost and complexity for the accounting of income taxes via FASB’s Simplification Initiative. Please see our comments on the following page.

Again, the VSCPA appreciates the opportunity to respond to this Exposure Draft. Please direct any questions or concerns to VSCPA Senior Director, Learning Linda Newsom-Mccurdy, CAE, CMP at lnewsom-mccurdy@vscpa.com or (804) 612-9428 or VSCPA Communications Manager Chip Knighton at cknighton@vscpa.com or (804) 612-9408.

Sincerely,

Bo Garner, CPA
Chair

2019–2020 VSCPA Accounting & Auditing Advisory Committee
Bo Garner, CPA — Chair
Natalia Yashina, CPA — Vice Chair
Zachary Borgerding, CPA
Michael Cahill, CPA
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M. James Hartson, Jr., CPA
Joshua Keen, CPA
Jim Kiley, CPA
Mike Phillips, CPA
Ashleigh Smith, CPA
Charles Valadez, CPA
Responses to FASB — Proposed Accounting Standards Update — Simplifying the Accounting for Income Taxes
Submitted by: M. James Hartson, Jr., CPA, and Scott Davis, CPA
Submitted on behalf of: Virginia Society of Certified Public Accountants

Question 1 — Do you agree that the amendments in this proposed Update would simplify the accounting for income taxes? If not, please explain which proposed amendment(s) you disagree with and why.

We support the FASB’s amendments in this proposed update and in connection with the FASB’s overall simplification initiative, this update should serve to reduce costs and complexity in accounting for income taxes and improve the usefulness of information provided to users of financial statements.

Question 2 — Do the proposed amendments maintain or improve the usefulness of information provided to users? Alternatively, would the proposed amendments result in the elimination of decision-useful information? Please explain why or why not.

We believe the proposed amendments will maintain or improve the usefulness of information provided to users and would not result in the elimination of decision-useful information.

Question 3 — Are the proposed amendments operable and auditable? If not, which aspects pose operability or auditability issues and why? Would any of the proposed amendments impose significant incremental costs? If so, please describe the nature and extent of additional costs.

We agree that the proposed amendments are operable and auditable and generally would not impose significant incremental costs.

Question 4 — Are the transition requirements and transition disclosures for the proposed amendments appropriate? If not, what transition approach or transition requirements would be more appropriate and why?

We agree that the transition requirements and transition disclosures for the proposed amendments are appropriate and useful to users of financial statements.

Question 5 — How much time would be needed to adopt the proposed amendments? Should early adoption be permitted? Should entities other than public business entities be provided with an additional year to implement the proposed amendments? Why or why not?

We believe early adoption of the proposed amendments should be permitted by entities that want to begin reducing the complexity and costs associated with accounting for income taxes before the required effective date for adoption. In addition, we believe entities other than public business entities should be provided with an additional year to implement the proposed amendments as they have fewer resources than public entities to dedicate to the transition and adoption of new accounting standards.