

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** TAX Team (Wyss x479)  
**Subject:** Minutes of October 5, 2015 Board Meeting  
**Date:** October 8, 2015  
**cc:** Stacey Sutay

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

**Topic:** Accounting for Income Taxes: Intra-Entity Asset Transfers and Balance Sheet Classification of Deferred Assets

**Basis for Discussion:** FASB Memo No. 5

**Length of Discussion:** 11:30 a.m. to 12:05 p.m. (EDT)

**Attendance:**

Board members present: Golden, Kroeker, Buck, Linsmeier, Schroeder, Siegel, and Smith

Board members absent: None

Staff in charge of topic: Wyss

Other staff at Board table: Cosper, Walsh, Carter, and Brown

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues relating to the development of a final Accounting Standards Update addressing two improvements to the accounting for income taxes.

The Board's technical plan calls for that document to be issued in the fourth quarter of 2015.

**Tentative Board Decisions:**

The Board discussed the comments received on the two January 22, 2015 proposed Accounting Standards Updates, *Income Taxes (Topic 740): I. Intra-Entity Asset Transfers* and *II. Balance Sheet Classification of Deferred Taxes*, and made the following decisions.

**Intra-Entity Asset Transfers**

The Board directed the staff to perform additional research and outreach on issues raised by stakeholders.

(Vote not to remove the project from the Board's agenda: 7-0)

(Vote to perform additional research and outreach: 4-3)

**Balance Sheet Classification of Deferred Taxes**

The Board affirmed the proposal to require that all deferred income tax assets and liabilities be presented as noncurrent in a classified statement of financial position.

(Vote 7-0)

*Transition Method*

The Board decided that entities should have a choice of applying the amendments either prospectively or retrospectively to all periods presented.

(Vote: 4-3)

*Transition Disclosures*

If an entity applies the amendments prospectively, the entity should disclose in the first interim and annual period of change (1) the nature of and reason for the

change in accounting principle and (2) a statement that prior periods were not adjusted. If an entity applies the amendments retrospectively, the entity should

disclose in the first interim and annual period of change (1) the nature of and reason for the change in accounting principle and (2) quantitative information about the effects of the accounting change to prior periods.

(Vote: 7-0)

### **Effective Date and Early Adoption**

The Board affirmed the proposal that public business entities would be required to apply the amendments in annual reporting periods beginning after December 15, 2016, including interim reporting periods within those annual reporting periods.

(Vote: 7-0)

The Board affirmed the proposal that entities other than public business entities would be required to apply the amendments in annual reporting periods beginning after December 15, 2017, and interim reporting periods within annual reporting periods beginning after December 15, 2018.

(Vote: 7-0)

The Board decided to allow earlier adoption for all entities as of the beginning of any interim or annual reporting period.

(Vote: 6-1)

### **Permission to Ballot**

The Board decided that it has received sufficient information and analysis on the proposed amendments to make an informed decision on the issues presented and that the expected benefits of those amendments justify the perceived cost of change. The Board directed the staff to draft a final Accounting Standards Update for vote by written ballot.

(Vote: 7-0)

### **General Announcements:**

None.