

May 19, 2015

Technical Director
Financial Accounting Standards Board
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Via e-mail: director@fasb.org

File Reference No. 2015-200 – I

Re: *Proposed Accounting Standards Update*
Income Taxes (Topic 740), Issued January 22, 2015
Intra-Entity Asset Transfers

Dear Board Members:

The Accounting Principles and Auditing Standards Committee (the Committee) of the Florida Institute of Certified Public Accountants (FICPA) respectfully submits its comments on the referenced proposal. The Committee is a technical committee of the FICPA and has reviewed and discussed the above referenced Proposed Accounting Standards Update, including the questions posed in the proposal. The FICPA has approximately 18,500 members, with its membership comprised primarily of CPAs in public practice and industry. The Committee is comprised of more than 20 members, of whom 42% are from local or regional firms, 24% are from large multi-office firms, 14% are sole practitioners, 10% are in international firms, and 10% are in academia or private industry. Therefore we are addressing this exposure draft both from the viewpoint of preparers of financial statements as well as those performing attest services on them. The Committee has the following comments related to the questions posed by the Board:

1. The Committee concurs with the proposed update to recognize the current and deferred income tax consequences of an intra-entity asset transfer at the time the transfer occurs and agrees with the arguments set forth that this more accurately aligns the tax reporting with the financial reporting of the tax consequences of the transaction and also better aligns the U.S. GAAP model with the accounting for such intra-entity asset transfers under IFRS.
2. As noted above, the Committee concurs with the recognition of all tax consequences at the time the intra-entity asset transfer occurs.
3. The Committee agrees with the application of the proposed guidance on a modified retrospective basis noting that a fully retrospective adoption would not

provide significant benefit to the users of the financial statements and fully agree that prospective adoption could create significant confusion to financial statement users due to potentially previously completed intra-entity assets transfers for which recognition may not occur for an extended period of time. The Committee also agrees that the current tax disclosures are sufficient and already require adequate transparency surrounding the effects of intra-entity asset transfers.

4. The Committee is in agreement with both effective dates:
 - a. Public business entities: for periods beginning after December 15, 2016
 - b. All other entities: for annual periods beginning after December 15, 2017

5. It is the Committee's opinion that limited additional costs, if any, would be incurred at transition. In most cases, the Committee expects that no significant recurring costs would be incurred in applying the proposed amendments.

Additionally, in a broader sense the Committee wishes to commend the Board on its sustained efforts related to the simplification initiative. The technical modifications and clarifications under that initiative which have been exposed to date have been well received by the Committee, and the Committee encourages further efforts at simplification where possible.

The Committee appreciates this opportunity to respond to this Proposed Accounting Standards Update. Members of the Committee are available to discuss any questions you may have regarding this communication.

Respectfully submitted,

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Chair, FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:
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