Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

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

Via e-mail – **director@fasb.org**

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

Plante & Moran PLLC is the 13th largest public accounting firm in the United States and serves a wide range of public and non-public entities in multiple industries. We appreciate the efforts of the Financial Accounting Standards Board (Board) to continue to identify opportunities to reduce the cost and complexity associated with financial reporting requirements, without diminishing the decision-useful information provided to investors and other financial statement users. Following, please find our responses to the specific Questions for Respondents in the above referenced Exposure Draft.

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

Response 1: We agree with the Board's proposed guidance that all deferred income tax assets and liabilities be presented as noncurrent in a classified statement of financial position. We do not believe that differentiating between current and noncurrent deferred tax assets and liabilities provides any significant benefit to the users of the financial statements. Under current guidance, deferred tax assets and liabilities are categorized as current or noncurrent based on the classification of the asset or liability they relate to; however, this does not necessarily correspond with the period in which the deferred tax asset or liability will be recognized. Given that the classification of deferred tax assets and liabilities does not correspond to the time period during which the asset or liability will be recognized, we do not believe this differentiation provides any significant benefit to the users of the financial statements.

Question 2: Should the proposed guidance be applied on a prospective basis?

Response 2: No, we believe the proposed guidance should be applied on a retrospective basis. We do not believe there will be a significant cost to preparers of financial statements to retrospectively apply this guidance. While there may be some incremental costs associated with recalculating the jurisdictional netting calculations, we believe users of the financial statements would benefit from the increased comparability of the financial statements if the proposed guidance were applied retrospectively.

Question 3: Should the amendments in this propose 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?

Response 3: Given there is expected to be minimal costs to apply the proposed guidance, we do not believe there should be a difference in the implementation dates for public entities and other entities. In addition, given that the goal of the proposed guidance is to simplify the financial reporting related to deferred tax assets and liabilities, we believe all entities should have the option to early adopt the amendments of the proposed guidance.

In addition, we do not believe it is necessary to require an entity to adopt the amendments in this proposed Update at the same time as the amendments of the proposed updates related to Intra-Entity Asset Transfers. While both of these proposed updates relate to the goal of simplifying the accounting for income taxes and are included in the same Exposure Draft, we do not believe that an entity needs to adopt both of the proposed standards at the same time. We believe the amendments of each proposed Update should be considered individually and entities should be able to early adopt the guidance in one proposed Update without regard to when the other proposed Update is adopted.

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 applying current GAAP?

Response 4: We do not believe there would be significant costs to adopt the amendments of the proposed Update. In addition, we believe the ongoing costs of applying the proposed standard will be lower than the costs of applying current GAAP as entities would no longer be required to perform an analysis to determine if deferred tax assets or liabilities should be classified as current or noncurrent.

Thank you again for the opportunity to comment on this exposure draft. We would be pleased to respond to any questions the Board or its staff may have about these comments. Please direct any questions to David Grubb at **david.grubb@plantemoran.com** or 248.223.3745.

Very truly yours,

PLANTE & MORAN, PLLC