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Technical Director
Financial Accounting Standards Board
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To the Technical Director:

RubinBrown LLP appreciates the opportunity to comment on the Exposure Draft: Income Taxes (Topic 740) *Disclosure Framework – Changes to Disclosure Requirements for Income Taxes*. RubinBrown is a public accounting firm with approximately 500 total team members. Our practice focuses on private, public, nonprofit, and governmental organizations.

Question 1 –Would the proposed amendments result in more effective, decision-useful information about income taxes? Please explain why or why not. Would the proposed amendments result in the elimination of decision-useful information about income taxes? If yes, please explain why?

We believe that the proposed amendments would add useful information in regard to income taxes. Increased disclosures would allow users of the financial statements to gain a better understanding regarding the tax structure and business structure of the business.

Question 2 – Are the proposed disclosure requirements operable and auditable? If not, which aspects pose operability or auditability issues and why?

Many of the proposed disclosures related to foreign activities include information that we believe management is currently accumulating, so it should be easily operable and auditable. However, requiring disclosure of changes in tax laws that will have a probable future impact will be very costly and difficult to implement for all entities, particularly nonpublic entities. An entity's approach to new tax laws often develops and changes over time, and a point in time disclosure could be costly to develop. Further, we believe that disclosure of information regarding future periods would be difficult to audit.

We do not feel that the additional public business entity disclosures would cause issues from an operable and auditable perspective.

Question 3 – Would any of the proposed disclosures impose significant incremental costs? If so, please describe the nature and extent of the additional costs.

The disclosures requiring the impact of an enacted tax law that will impact future periods requires forecasts of future periods, and estimates regarding the tax impact. This will add increased costs and complexities in preparing and auditing financial statements.

Question 4 – The Board is proposing that reporting entities disclose income taxes paid for any foreign country that is significant to total income taxes paid. The Board also considered requiring disclosure by significant country of income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) from continuing operations but decided that this disclosure would be costly and potentially not beneficial in assessing prospects for cash flows related to income taxes (see paragraph BC22 of this proposed Update). Are there other costs or benefits that the Board should consider regarding these potential disclosures? Are there other country-level disclosures that the Board should consider that may be more cost beneficial?

We agree with the reasoning in BC22. Given the lag between audit filing requirements and statutory tax filings, there is unlikely to be meaningful information available as of the audit report date. One additional disclosure that would be beneficial would be a table listing out countries with operations, and estimated tax rates.

Question 5 – The Board considered several disclosures on indefinitely reinvested foreign earnings (see paragraphs BC27–BC40 of this proposed Update). Is there other information that the Board should consider regarding these potential disclosures? Are there other disclosures about indefinitely reinvested foreign earnings that would be more cost beneficial?

We feel that the proposed changes over a change in the remittance of foreign earnings are adequate. We believe the practibility exception should remain in place, given the uncertainty regarding timing, legal restrictions, and fluctuation in both tax and foreign currency exchange rates.

Question 6 – The proposed amendments would apply to all entities, except for the requirements in paragraphs 740-10-50-6A through 50-6B, 740-10-50-12, and 740-10-50-15A for which entities other than public business entities would be exempt. Do you agree with the exemption for entities other than public business entities? If not, please describe why and which disclosures should be required for entities other than public business entities?

We agree with the exemption for nonpublic entities.

Question 7 – Are there any other disclosures that should be required by Topic 740 on the basis of the proposed Concepts Statement or for other reasons? Please explain why.

There are no additional disclosures that we feel would be beneficial.

Question 8 – Are there any other disclosure requirements retained following the review of Topic 740 that should be removed on the basis of the proposed Concepts Statement or for other reasons? Please explain why?

We do not feel at this time that any disclosures should be removed.

Question 9 – Should the proposed disclosures be required only for the reporting year in which the requirements are effective and thereafter or should prior periods be restated in the year in which the requirements are effective? Please explain why.

We believe that a prospective basis is appropriate moving forward. Because the disclosures are intended to provide information that may be relevant to future periods, restating prior periods would not be beneficial.

Question 10 - How much time would be needed to implement the proposed amendments? Should the amount of time needed to implement the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities? Should early adoption be permitted? If the answer is "yes" to either question, please explain why?

Given the additional disclosures, approximately two years from release of the final standard to implementation would be appropriate for public business entities. Early adoption should not be permitted. Nonpublic business entities would benefit by having an additional year prior to implementation.

Thank you for your continued efforts to improve the Accounting Standards through this Exposure Draft. We believe this is an important endeavor and are grateful for the opportunity to comment.

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