



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

The Board discussed a potential project to add to its agenda on the reclassification of certain tax effects from accumulated other comprehensive income.

The Board also met to discuss other implementation issues related to the enactment of the Tax Cuts and Jobs Act of 2017.

**Tentative Board Decisions:**

The Board decided to add a project to its agenda on the reclassification of certain tax effects from accumulated other comprehensive income to retained earnings.

(Vote: 7-0)

*Reclassification Approach*

The Board decided to require a reclassification from accumulated other comprehensive income to retained earnings for the stranded tax effects resulting from the newly enacted corporate tax rate in the Tax Cuts and Jobs Act of 2017.

(Vote: 7-0)

*Backwards Tracing Research Project*

The Board decided to add a broader project to its research agenda on the accounting for subsequent effects of changes in deferred tax liabilities and assets that were originally charged or credited directly to equity (“backwards tracing”).

(Vote: 5-2)

*Transition Method and Disclosures*

The Board decided to require the application of the reclassification to each period in which the effect of the Tax Cuts and Jobs Act of 2017 (or portion thereof) is recorded. That requirement would be applied retrospectively to the date of enactment if the forthcoming accounting guidance is not adopted early.

(Vote: 7-0)

The Board decided to require the following transition disclosures:

1. The nature and reason for the change in accounting principle

2. A description of the prior-period information that has been retrospectively adjusted
3. The effect of the reclassification on affected financial statement line items.

(Vote: 7-0)

*Early Adoption*

The Board decided to permit early adoption for public business entities for which financial statements have not yet been issued and all other entities for which financial statements have not yet been made available for issuance.

(Vote: 7-0)

*Effective Date*

The Board decided that the proposed amendments would be effective for all entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

(Vote: 7-0)

*Cost-Benefit Analysis, Exposure Draft, and Comment Period*

The Board concluded that it has received sufficient information and analysis to make an informed decision on the issues presented and that the expected benefits of the amendments justify the expected costs (subject to comment letters received during the comment period).

(Vote: 7-0)

The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot.

(Vote: 7-0)

The Board also decided that the comment period for the proposed Update should be 15 days.

(Vote: 6-1)

*Other Implementation Issues*

The Board discussed the staff's preliminary views on five implementation issues related to the Tax Cuts and Jobs Act of 2017. The Board did not make any decisions on those five issues, which are as follows:

1. The use of Securities and Exchange Commission Staff Accounting Bulletin No. 118, *Income Tax Accounting Implications of the Tax Cuts and Jobs Act*, by private companies and not-for-profit entities
2. Whether to discount the tax liability on the deemed repatriation of foreign earnings
3. Whether to discount alternative minimum tax credits that become refundable
4. Accounting for the base erosion anti-abuse tax
5. Accounting for global intangible low-taxed income.

**General Announcements:** The staff announced that it expects to issue a FASB Staff Q&A on Issue 1 of the above implementation issues within a day after this Board meeting. FASB staff Q&As on the other four implementation issues should be issued shortly after the January 18, 2018 Emerging Issues Task Force meeting.