



Comerica Incorporated

Comerica Bank Tower
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Mauricio A. Ortiz
Senior Vice President and
Chief Accounting Officer

February 2nd, 2018

Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
Attention: Ms. Susan Cospers, Technical Director

Re: File Reference No. 2018-210: Income Statement — Reporting Comprehensive Income (Topic 220) — Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income

Dear Ms. Cospers:

Comerica Incorporated (“Comerica” or “we”) appreciates the opportunity to comment on the Financial Accounting Standards Board’s (the “Board’s”) Proposed Accounting Standards Update *Income Statement — Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (the “Update” or “Exposure Draft”). Comerica is a financial services company headquartered in Dallas, Texas. As of December 31, 2017, we were among the 50 largest U.S. banking companies, with total assets of approximately \$72 billion (including net deferred tax assets of \$141 million), total deposits of approximately \$58 billion, total loans of approximately \$49 billion, and total shareholders’ equity of approximately \$8 billion. During the month of December 2017, Comerica recorded a \$107 million charge to adjust deferred taxes as a result of the enactment of the Tax Cuts and Jobs Act of 2017¹, of which \$87 million related to the tax effects of items within accumulated other comprehensive income (hereafter, “stranded tax effects”).

Comerica commends the Board’s swift response to the concerns raised by preparers of financial statements, including Comerica, regarding stranded tax effects pursuant to the enactment of the Tax Cuts and Jobs Act of 2017. We strongly support the provisions included within the Exposure Draft to reclassify stranded tax effects from accumulated other comprehensive income (“AOCI”) to retained earnings. This change allows for better presentation of items included within AOCI and eliminates the unintended consequences stranded tax effects would have on capital for financial institutions such as Comerica. We also support the provision to allow for early adoption. We respectfully urge the Board to promptly approve the Exposure Draft and issue the final standard to avoid undue delays for filers who anticipate adopting this guidance as part of their December 31, 2017 financial statements.

¹ Referring to tax bill H.R.1, *An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018* enacted by the U.S. federal government on December 22, 2017.

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We believe the Board was right to prioritize efforts and limit the scope of this Exposure Draft to the tax stranded effect resulting from the enactment of the Tax Cuts and Jobs Act of 2017 given the magnitude and timing of the change. Further, we also think the Board should add a project to explore a broader solution that allows for backwards tracing. However, the benefit of a broader solution would need to surpass its costs.

* * * * *

We thank you for the opportunity to comment on the Exposure Draft. Should you require further information or have any questions, please do not hesitate to contact me (telephone 214-462-6757; email address maortiz@comerica.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Mauricio A. Ortiz", is written over a horizontal line.

Mauricio A. Ortiz
Senior Vice President and Chief Accounting Officer

cc: Muneera Carr, Executive Vice President and Chief Financial Officer