May 10, 2023

Technical Director
File Reference No. 2023-ED100
FASB
801 Main Avenue
PO Box 5116
Norwalk, CT 06856-5116

Re: Exposure Draft – Income Taxes (Topic 740) – Improvements to Income Tax Disclosures

Via email : director@fasb.org

Dear Technical Director:

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 exposure draft (ED). The Committee is a technical committee of the FICPA and has reviewed and discussed the above referenced Exposure Draft (ED). The Committee is comprised of twenty-three members from local or regional firms, large multi-office firms, sole practitioners, international firms, academia, and industry. The response below reflects only the views of the Committee. The Committee has the following comments related to the responses below.

General Comments

The Committee appreciates the efforts of the Financial Accounting Standards Board (FASB) in preparing an exposure draft that provides useful guidance for practitioners without resulting in an overly voluminous set of guidance that would not be useful in application. The Committee underwent significant discussion and based on the nature of the dialogue, has elected to provide general feedback surrounding the exposure draft as follows:

The Committee believes that investors and users of public company financial statements would have limited value of the proposed disclosures, specifically of information disaggregated by jurisdiction. Any value the Committee contemplated was outweighed by the expected cost to preparers and auditors of producing this level of disaggregated information.

Question 1

The Committee believes that the separate disclosure for any reconciling item equal to or greater than 5 percent of the amount computed by multiplying the income (or loss) from continuing operations before tax by the applicable statutory federal (national) income tax rate along with the foreign tax effects
category having to be disaggregated by jurisdiction (country) would be unduly burdensome for these companies as it is believed that investors would only receive a limited benefit in this information.

**Question 2**

The Committee believes that while the qualitative approach describing the impact state and local jurisdictions contribute to the state and local income tax category is preferable to a quantitative approach, once again we believe that the cost of disclosure outweighs any benefits obtained.

**Question 3**

The Committee believes that this is an unnecessary requirement.

**Question 4**

The Committee believes that this question is at the heart of the issue. It is in our opinion that investors do not analyze 10-Ks and other annual reports for tax analysis. Tax issues are assumed to be handled by tax professionals and outside experts. Investors are more concerned with the operating results of companies.

**Question 5**

The Committee believes that the cost of enacting and implementing these rules outweighs any benefits obtained and that these issues are not simply ones that fit into a template.

**Question 6**

The Committee believes the proposals are operable but at a significant, incremental cost.

**Question 7**

The Committee does not agree with this. If the purpose was for higher transparency, this should be at the top of the list but once again, we believe that the proposal’s cost outweighs the benefits overall.

**Question 8**

As addressed earlier, the Committee is not in favor of these additional requirements.

**Question 9**

The Committee believes that the 5% threshold is an unnecessary burden on businesses and for reasons addressed earlier, it is not warranted.

**Question 10**

The Committee believes that investors do not spend considerable time on the tax aspects of public companies as they are more concerned with operating net income and other performance metrics.
Question 11

The Committee believes it will bring significant additional costs which are not warranted. These costs would include recurring costs of producing and auditing individual tax jurisdiction information.

Question 12

The Committee believes that it is operable but not warranted.

Question 13

The Committee believes that if the Exposure Draft remains as is, this requirement is at least more cost effective than having quarterly income taxes paid disaggregated by federal (national), state, and foreign taxes on an interim basis.

Question 14

The Committee does not believe that it is necessary at all for entities other than public business entities.

Question 15

The Committee believes that it is operable but not warranted.

Question 16

The Committee believes that promulgating this rule retroactively is not warranted as determining this information by tax jurisdiction with be costly.

Question 17

The Committee believes that a minimum of two years for public business entities would be necessary for implementation with an additional two years for entities other than public business entities.

The Committee appreciates the opportunity to respond to the Exposure Draft. Members of the Committee are available to discuss any questions you may have regarding the responses in this letter.

Respectfully submitted,

Genevieve Hancock, CPA
Chair, Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:
Joel M. DiCicco, CPA, MBA, MST, PhD