

December 11, 2014

Ms. Susan M. Cospers  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

By e-mail: [director@fasb.org](mailto:director@fasb.org)

**Re: Proposed Accounting Standards Update – *Interest—Imputation of Interest* (Subtopic 835-30) *Simplifying the Presentation of Debt Issuance Cost***

**File Reference No. 2014-250**

Dear Ms. Cospers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 28,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

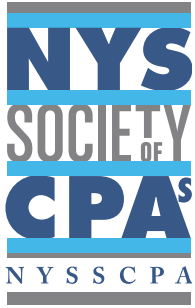
The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed accounting standards update and prepared the attached comments. If you would like additional discussion with us, please contact Robert M. Rollmann, Chair of the Financial Accounting Standards Committee at (914) 421-5605, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

A handwritten signature in black ink, appearing to read "S. M. Adair". The signature is written over a faint, semi-transparent watermark of the NYSSCPA logo.

Scott M. Adair  
President

Attachment



**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMENTS ON**

**PROPOSED ACCOUNTING STANDARDS UPDATE – *INTEREST—IMPUTATION OF  
INTEREST* (SUBTOPIC 835-30)  
*SIMPLIFYING THE PRESENTATION OF DEBT ISSUANCE COST***

**FILE REFERENCE NO. 2014-250**

**December 11, 2014**

**Principal Drafters**

**J. Roger Donohue  
Deepak K. Doshi  
Craig T. Goodman**

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# New York State Society of Certified Public Accountants

## Comments on

### **Proposed Accounting Standards Update – *Interest—Imputation of Interest* (Subtopic 835-30) *Simplifying the Presentation of Debt Issuance Cost***

#### **File Reference No. 2014-250**

We welcome the opportunity to comment on the Financial Accounting Standards Board's (the Board) Exposure Draft of a Proposed Accounting Standards Update – *Interest—Imputation of Interest* (Subtopic 835-30) *Simplifying the Presentation of Debt Issuance Cost* (Proposed Update). Our responses to the Questions for Respondents are presented below.

**Question 1: Should debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts? If not, why?**

**Response:** We agree that the debt issuance costs should be presented in the balance sheet as a direct deduction from the carrying cost of the debt liability which would be consistent with debt discounts. This is also consistent with the presentation under International Financial Reporting Standards (IFRS) and the guidance in FASB Concepts Statement 6, *Elements of Financial Statements*, which states that debt issuance costs are similar to a debt discount. Further, per Concepts Statement 6, debt issuance costs are not assets because they provide no future economic benefit. As such the proposed presentation of offsetting the issuance costs against the debt is appropriate.

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

**Response:** We agree that the proposed guidance should be applied on a retrospective basis to enhance comparability.

**Question 3: How much time will be necessary to adopt the amendments in this proposed Update? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?**

**Response:** We believe that as the information is readily available to the financial statement preparer, the additional time to implement this Proposed Update should be insignificant. The amount of time needed to apply the proposed amendments by non-public business entities should not be different than that for public business entities for the same reason, *i.e.*, information is readily available.