

Audit Alert: ASU simplifies presentation of deferred income taxes on balance sheet

The FASB recently issued [ASU 2015-17, Balance Sheet Classification of Deferred Taxes](#), which is intended to simplify and improve how deferred taxes are classified on the balance sheet. The guidance in the ASU eliminates the current requirement to present deferred tax assets and liabilities as current and noncurrent in a classified balance sheet and now requires entities to classify all deferred tax assets and liabilities as noncurrent.

Public companies are required to apply the guidance for annual periods beginning after December 15, 2016 and for interim periods within those annual periods. Private companies, not-for-profit organizations, and employee benefit plans are required to apply the guidance for annual periods beginning after December 15, 2017 and for interim periods within annual periods beginning after December 15, 2018.

Early adoption is permitted for all organizations as of the beginning of an interim or annual reporting period.-

Source: Grant Thornton, *On The Horizon*, December 3, 2015



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