# Income Before Tax Equity Method

Rule ID: DQC\_0119

### Rule function

This rule is intended to identify those cases where the company uses the element IncomeLossFromContinuingOperationsBeforeIncomeTaxesMinorityInterestAndIncomeLossFromEquityMethodInvestments in an inappropriate manner. If this element is used in the financial statements it should not include the value for the element IncomeLossFromEquityMethodInvestments. In addition, if the filer has no Income from Equity Method Investments then the element should not be used. The rule has two components that check each of these conditions. Firstly if the filer has used the element representing “Income before income tax, Non Controlling Interest and Equity Method Investments”, then the filer must also have disclosed Equity Method Investments. To check if the company has reported equity method investments the rule checks if the filer has reported values for any of the following elements: (With dimensions and without dimensions)

1. IncomeLossFromEquityMethodInvestments,
2. IncomeLossFromEquityMethodInvestmentsNetOfDividendsOrDistributions,
3. IncomeLossFromAffordableHousingProjectsEquityMethodInvestments

The second part of the rule identifies descendant calculation elements of the element representing “Income before income tax, Non Controlling Interest and Equity Method Investments”. The rule determines if any of the components of the element include Equity Method investments using the element IncomeLossFromEquityMethodInvestments or IncomeLossFromEquityMethodInvestmentsNetOfDividendsOrDistributions.

### Problem solved by the rule

The rule addresses the inconsistent tagging of before tax income. Many users of XBRL data try to determine the income of the company before tax. If a company has no Equity Method investments they should use the element IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsNoncontrollingInterest. In many cases they use the element identified in this rule. This means users of the data have to pull both elements and determine which element is used to represent the before income tax income of the company. This rule, if followed, should ensure more consistent tagging of this data across companies.

Example rule message #1

The company has reported a value for the concept representing Income before income tax, Non Controlling Interest and Equity Method Investments with a value of -149,994. However the company has not reported a value for equity method investments. If the company has no equity method investments then the filer should use the element IncomeLossFromEquityMethodInvestments.

Element : -149,994

Value : -149,994

Period : 2020-01-01 to 2020-12-31

Rule Element Id:9576

Rule version: 16.0.0

Example rule message #2

The company has included IncomeLossFromEquityMethodInvestments as a component of the concept "Income Loss From Continuing Operations Before Income Taxes Minority Interest And Income Loss From Equity Method Investments". The element IncomeLossFromEquityMethodInvestments cannot be included as a component of "Income Loss From Continuing Operations Before Income Taxes Minority Interest And Income Loss From Equity Method Investments" as this element excludes equity method investments. The filer should use the concept IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsNoncontrollingInterest instead.

Element : IncomeLossFromEquityMethodInvestments

Rule Element Id:9577

Rule version: 16.0.0

**For Developers**

The Global Rule Logic document contains general guidelines for implementation of rules.

The rule message template contains text and parametric reference to arguments of the rule operation, using the syntax {$parameter} to indicate that insertion of a parameter’s value is to occur.

**General message template #1**

The company has reported a value for the concept representing Income before income tax, Non Controlling Interest and Equity Method Investments with a value of {$beforeTax}. However the company has not reported a value for equity method investments. If the company has no equity method investments then the filer should use the element IncomeLossFromEquityMethodInvestments.

Element : {$beforeTax}

Value : {$beforeTax}

Period : {$beforeTax.period}

Rule Element Id:{$ruleId}

Rule version: {$ruleVersion}

**General message template #2**

The company has included {$equityIncomeElement} as a component of the concept \"Income Loss From Continuing Operations Before Income Taxes Minority Interest And Income Loss From Equity Method Investments\". The element {$equityIncomeElement} cannot be included as a component of \"Income Loss From Continuing Operations Before Income Taxes Minority Interest And Income Loss From Equity Method Investments\" as this element excludes equity method investments. The filer should use the concept IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsNoncontrollingInterest instead.

Element : {$equityIncomeElement}

Rule Element Id:{$ruleId}

Rule version: {$ruleVersion}

### Rule element ID index

The rule element id is used to identify unique elements or combinations of elements tested in the rule.

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| --- | --- |
| Rule Element ID | Elements |
| DQC.US.01119.9576 | IncomeLossFromContinuingOperationsBeforeIncomeTaxesMinorityInterestAndIncomeLossFromEquityMethodInvestments |
| DQC.US.01119.9577 | IncomeLossFromEquityMethodInvestments  IncomeLossFromEquityMethodInvestmentsNetOfDividendsOrDistributions  IncomeLossFromAffordableHousingProjectsEquityMethodInvestments |