

Deferred Tax Assets and Liabilities

As of September 30, 2023 and September 24, 2022, the significant components of the Company's deferred tax assets and liabilities were (in millions):

	2023	2022
Deferred tax assets:		
Tax credit carryforwards	\$ 8,302	\$ 6,962
Accrued liabilities and other reserves	6,365	6,515
Capitalized research and development	6,294	1,267
Deferred revenue	4,571	5,742
Unrealized losses	2,447	2,913
Lease liabilities	2,421	2,400
Other	2,343	3,407
Total deferred tax assets	32,743	29,206
Less: Valuation allowance	(8,374)	(7,530)
Total deferred tax assets, net	24,369	21,676
Deferred tax liabilities:		
Right-of-use assets	2,179	2,163
Depreciation	1,998	1,582
Minimum tax on foreign earnings	1,940	1,983
Unrealized gains	511	942
Other	490	469
Total deferred tax liabilities	7,118	7,139
Net deferred tax assets	\$ 17,251	\$ 14,537

As of September 30, 2023, the Company had \$ 5.2 billion in foreign tax credit carryforwards in Ireland and \$ 3.0 billion in California R&D credit carryforwards, both of which can be carried forward indefinitely. A valuation allowance has been recorded for the credit carryforwards and a portion of other temporary differences.

Uncertain Tax Positions

As of September 30, 2023, the total amount of gross unrecognized tax benefits was \$ 19.5 billion, of which \$ 9.5 billion, if recognized, would impact the Company's effective tax rate. As of September 24, 2022, the total amount of gross unrecognized tax benefits was \$ 16.8 billion, of which \$ 8.0 billion, if recognized, would have impacted the Company's effective tax rate.

The aggregate change in the balance of gross unrecognized tax benefits, which excludes interest and penalties, for 2023, 2022 and 2021, is as follows (in millions):

	2023	2022	2021
Beginning balances	\$ 16,758	\$ 15,477	\$ 16,475
Increases related to tax positions taken during a prior year	2,044	2,284	816
Decreases related to tax positions taken during a prior year	(1,463)	(1,982)	(1,402)
Increases related to tax positions taken during the current year	2,628	1,936	1,607
Decreases related to settlements with taxing authorities	(19)	(28)	(1,838)
Decreases related to expiration of the statute of limitations	(494)	(929)	(181)
Ending balances	\$ 19,454	\$ 16,758	\$ 15,477

The Company is subject to taxation and files income tax returns in the U.S. federal jurisdiction and many state and foreign jurisdictions. Tax years after 2017 for the U.S. federal jurisdiction, and after 2014 in certain major foreign jurisdictions, remain subject to examination. Although the timing of resolution or closure of examinations is not certain, the Company believes it is reasonably possible that its gross unrecognized tax benefits could decrease in the next 12 months by as much as \$ 4.5 billion.