

Provision for Income Taxes

Provision for income taxes, effective tax rate and statutory federal income tax rate for 2023, 2022 and 2021 were as follows (dollars in millions):

	2023	2022	2021
Provision for income taxes	\$ 16,741	\$ 19,300	\$ 14,527
Effective tax rate	14.7 %	16.2 %	13.3 %
Statutory federal income tax rate	21 %	21 %	21 %

The Company's effective tax rate for 2023 and 2022 was lower than the statutory federal income tax rate due primarily to a lower effective tax rate on foreign earnings, the impact of the U.S. federal R&D credit, and tax benefits from share-based compensation, partially offset by state income taxes.

The Company's effective tax rate for 2023 was lower compared to 2022 due primarily to a lower effective tax rate on foreign earnings and the impact of U.S. foreign tax credit regulations issued by the U.S. Department of the Treasury in 2022, partially offset by lower tax benefits from share-based compensation.

Liquidity and Capital Resources

The Company believes its balances of cash, cash equivalents and unrestricted marketable securities, which totaled \$148.3 billion as of September 30, 2023, along with cash generated by ongoing operations and continued access to debt markets, will be sufficient to satisfy its cash requirements and capital return program over the next 12 months and beyond.

The Company's material cash requirements include the following contractual obligations:

Debt

As of September 30, 2023, the Company had outstanding fixed-rate notes with varying maturities for an aggregate principal amount of \$106.6 billion (collectively the "Notes"), with \$9.9 billion payable within 12 months. Future interest payments associated with the Notes total \$41.1 billion, with \$2.9 billion payable within 12 months.

The Company also issues unsecured short-term promissory notes pursuant to a commercial paper program. As of September 30, 2023, the Company had \$6.0 billion of commercial paper outstanding, all of which was payable within 12 months.

Leases

The Company has lease arrangements for certain equipment and facilities, including corporate, data center, manufacturing and retail space. As of September 30, 2023, the Company had fixed lease payment obligations of \$15.8 billion, with \$2.0 billion payable within 12 months.

Manufacturing Purchase Obligations

The Company utilizes several outsourcing partners to manufacture subassemblies for the Company's products and to perform final assembly and testing of finished products. The Company also obtains individual components for its products from a wide variety of individual suppliers. As of September 30, 2023, the Company had manufacturing purchase obligations of \$53.1 billion, with \$52.9 billion payable within 12 months. The Company's manufacturing purchase obligations are primarily noncancelable.

Other Purchase Obligations

The Company's other purchase obligations primarily consist of noncancelable obligations to acquire capital assets, including assets related to product manufacturing, and noncancelable obligations related to supplier arrangements, licensed intellectual property and content, and distribution rights. As of September 30, 2023, the Company had other purchase obligations of \$21.9 billion, with \$5.6 billion payable within 12 months.

Deemed Repatriation Tax Payable

As of September 30, 2023, the balance of the deemed repatriation tax payable imposed by the U.S. Tax Cuts and Jobs Act of 2017 (the "Act") was \$22.0 billion, with \$6.5 billion expected to be paid within 12 months.