

SECTION PS 3510

tax revenue

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the 2024-2025 Annual Improvements to Public Sector Accounting Standards.

- .30 In some cases, the assets arising from tax transactions and the related revenue cannot be reliably measured until some time after the taxable event occurs. This may occur if a tax base is volatile and estimation is not practicable. In such cases, the assets and revenue may be recognized in the period subsequent to the occurrence of the taxable event. However, in exceptional circumstances, several reporting periods may pass before a taxable event results in an inflow of resources embodying future economic benefits that meets the definition of an asset and satisfies the criteria for recognition as an asset. Consequently, the recognition criteria may not be satisfied until payment is received.

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SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the new CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING.

- .08 *Taxes should be recognized as assets and revenue when:*
- (a) *they meet the definition of an asset set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000;*
 - (b) *they are authorized as described in paragraph PS 3510.17; and*
 - (c) *the taxable event occurs. [APRIL 2012]*
- .09 A government would only recognize tax revenue that it expects to collect in accordance with the general recognition criteria in FINANCIAL STATEMENT CONCEPTS, paragraph PS 1000.55. If at the time the tax is imposed, the government expects for specific or exceptional reasons that it is unlikely to collect it, the tax revenue would not be recognized. This determination made at the time of initial recognition is contrasted with the evaluation of the ultimate collectability of tax receivables considered under "subsequent measurement of tax receivables" set out in paragraphs PS 3510.31-32.

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended substantially as a consequence of issuing REVENUE, Section PS 3400.

- .07 The following definitions have been adopted for the purposes of this Section:
- (a) **Exchange transactions** are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.
 - (b) **Non-exchange transactions** are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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