Oracle® Hyperion Tax Provision

User's Guide

Release 11.1.2.4.200

ORACLE®

Tax Provision User's Guide, 11.1.2.4.200

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Contents

Documentation Accessibility 7

Documentation Feedback 9

Chapter 1. About Tax Provision 11
- Overview 11
- Tax Provision Process 12
- User Roles 13
- Data Forms 15

Chapter 2. Using Tax Provision 19
- Managing Partnerships 19
  - Calculating Ownership 19
  - Consolidation 20
- Interim Tax Provision Calculation 20
  - Estimated Annualized Effective Tax Rate 20
  - Interim Provision - Consolidated 21
  - Interim Provision Data Form and Report 21
- Translation Methods 22
  - PVA Translation Method 22
  - VAL Translation Method 22
  - PVA and VAL Example 22
  - Global FX Rates 23
  - Override FX Rates 23
- Tax Basis Balance Sheet 24
- Process Management 26

Chapter 3. National Tax Process 27
- Tax Rates 27
- Consolidated Tax Rate 28
- Tax Automation 29
- Current Provision 29
  - Net Income Before Tax 30

Permanent and Temporary Differences 30
Deductible Regional/Other Taxes 31
Tax Losses 31
Tax Credits 32
Additional Provision Items 32
Tax Losses 33
Tax Credits 34
Acquisitions 34
Temporary Differences 35
Deferred Tax 38
Statutory and Consolidated Effective Tax Rate (ETR) 41
Tax Account RollForward (TAR) 41
Tax Basis Balance Sheet 43
Return to Accrual 44
Supplemental Schedule - Balance Sheet Adjustments 45
Supplemental Schedule - Fines and Penalties 45

Chapter 4. Regional Tax Process 47
Current Provision Regional 47
Net Income Before Tax 48
Permanent and Temporary Differences 49
Deductible Regional/Other Taxes and Reversal 49
Tax Losses 50
Tax Credits 50
Additional Provision Items 50
Acquisitions Regional 51
Temporary Differences Regional 51
Deferred Tax Regional 54
Statutory Effective Tax Rate (ETR) Regional 57
Jurisdictional Netting 57
Return to Accrual Regional 57

Chapter 5. Journal Entry and Tax Footnote Process 59
Journal Entry 59
Tax Footnote 60
Tax Account Navigation 64

Chapter 6. Tax Provision Custom Screens 67
Custom Properties 67
Entity Properties 68

Jurisdiction Properties 68
Permanent Account Properties 69
Temporary Account Properties 71
Net Operating Loss (NOL) Automation 72
Opening Balances by Scenario 72
Return to Accrual Automation 72
Tax Administration 73
Tax Account Rollforward (TAR) Automation 74
Tax Automation 74
Validations 75

Appendix A. Data Sources and Flows 77
Current Provision 77
Tax Losses 78
Tax Credits 78
Temporary Differences 79
Deferred Tax 79
Deferred Tax for TAR 80
RTA 80
Statutory ETR 80
Consolidated ETR 81
Current Provision Regional 81
Tax Losses Regional 82
Tax Credits Regional 82
Temporary Differences Regional 82
Deferred Tax Regional 83
Deferred Tax for TAR Regional 83
RTA Regional 84
Statutory ETR Regional 84
Consolidated Effective Tax Rate Reconciliation 84
Tax Account Rollforward (TAR) 85
Tax Journal Entry 85
Tax Financial Statement Footnote Disclosure 85

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1 About Tax Provision

In This Chapter

Overview 11
Tax Provision Process 12
User Roles 13
Data Forms 15

This guide is designed for tax staff whose role is using the Oracle Hyperion Tax Provision application.

This guide assumes that users are already familiar with accounting for income tax under a basis of accounts (for example, US GAAP ASC740 or IFRS IAS12). Users should also be familiar with the Oracle Hyperion Financial Close Suite products: Oracle Hyperion Financial Management (HFM), Oracle Hyperion Financial Reporting (FR), and Oracle Smart View for Office.

This guide focuses on how to use the Tax Provision application. For information regarding system setup and implementation, see the *Oracle Hyperion Tax Provision Administrator's Guide*. Also, refer to the relevant sections of the individual product administrator and user guides for further information related to the Financial Close Suite products.

Overview

Tax Provision calculates your company's global tax provision, effective tax rate, and deferred tax for tax provisioning purposes. The application is designed to comply with the standards for accounting for income taxes under US GAAP ASC740 and IFRS IAS12.

Tax Provision may use the same platform as your corporate close process and therefore may be directly integrated utilizing the same metadata. As one solution, consolidated pretax income can be reported by legal entity to calculate the consolidated income tax provision. When Corporate Accounting finalizes the period-end close, and all required amounts — such as permanent and temporary differences, tax rates, and foreign exchange rates—are entered in the system, Tax Provision automatically calculates the current and deferred income tax provisions by legal entity and by jurisdiction.

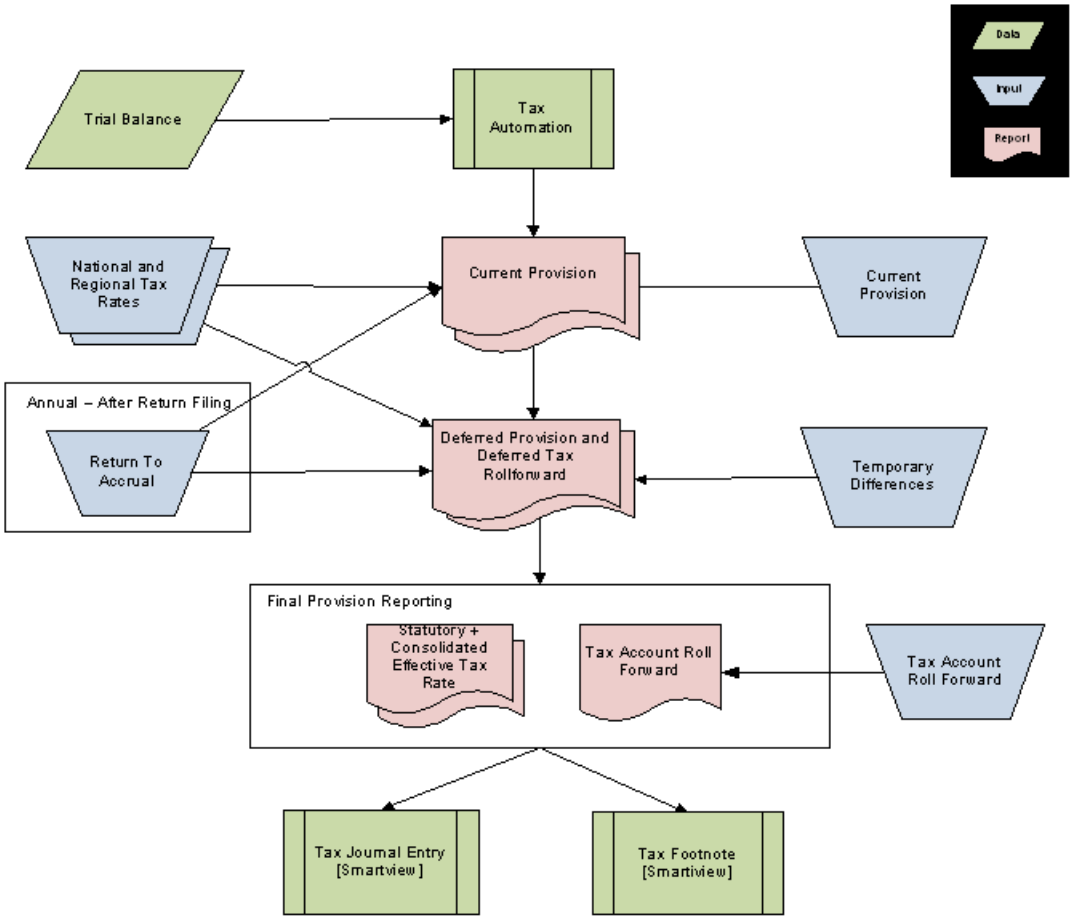
From the provision calculation, Tax Provision produces a journal entry and draft income tax financial statement disclosure, complete with supporting schedules. The supporting schedules provide details for the required disclosures in the income tax footnote to the financial statements, including:

- Pretax income by foreign and domestic entities
- Consolidated tax provision by current and deferred tax expense
- Consolidated and statutory effective tax rate reconciliations
- Composition of deferred tax assets, liabilities, and valuation allowance (as required)
- Tax loss expiration table

Tax Provision Process

The Tax Provision process enables you to prepare a full tax provision based on year-to-date numbers. The global provision process starts at the legal entity level in the desired reporting standard (for example, US GAAP, IFRS, UK GAAP) and local currency.

The following flowchart details the tax process in Tax Provision:



To begin the process, trial balance data by legal entity is loaded into Tax Provision using Financial Management or another data load tool.

After the data is loaded, the Tax Automation process is run to load and populate the provision schedules with the data from the trial balance (for example, Net Income Before Tax, and selected permanent and temporary differences).

When the Tax Automation process is complete, the next step is to input the remaining data using the pre-built data forms, or through submissions from Smart View. This data includes:

- Tax rates
- Non-automated amounts for pretax income adjustments or reclassifications
- Non-automated amounts for permanent and temporary differences
- Any additional provision items
- Return to Accrual amounts
- Manual activity in the Tax Account RollForward (for example, payments, refunds, reclassifications)
- Any adjustments to automated amounts to remove differences that may exist within the trial balance (for example, travel expenses included in Meals & Entertainment).

After the automated and manual amounts are input, the system calculates:

- Current Provision
- Deferred Provision
- Deferred Tax RollForward
- Tax Account RollForward
- Effective Tax Rate reconciliations in the reporting currency and local currency

After calculation, the system automatically translates the tax data from the local currency to the reporting currency for the consolidated reports. The provision can be calculated on a monthly, quarterly, or annual basis as required. The provision is always calculated on a year-to-date basis no matter how frequently it is calculated.

Available forms and reports:

- Current Provision
- Temporary Difference RollForward
- Deferred Tax RollForward
- Effective Tax Rate Reconciliation—Consolidated
- Effective Tax Rate Reconciliation—Statutory
- Tax Account RollForward
- Tax Journal Entry (using Smart View and based on the Tax Account RollForward)
- Tax Footnote (using Smart View and based on Current Provision and Deferred Tax RollForward)

User Roles

Tax Provision can be set up to grant data access and functionality depending on the role to which you are assigned in your organization.

Administration Duties—Responsible for maintaining the entity-level and consolidated data and settings. Maintenance includes updating foreign exchange rates, updating tax rates, and importing data into the system.

- Creating/Updating/Deleting Applications (including Financial Management, Oracle Hyperion Financial Reporting, and Smart View). This covers creating an application or update or removal of an application.
- Maintaining Security – This is the process of provisioning access and rights to Tax Provision, based upon policy and the administrator/users roles.
- Creating/Updating/Deleting/Validating Metadata in the application – This is the process by which metadata in the application is revised. Metadata in this context includes entities, both book and tax accounts, all members of remaining dimensions and the properties defining the metadata.
- Maintaining Active/Inactive Accounts – This is the process by which tax accounts can be removed from view in the application for specific entities. This ensures that only the tax accounts applicable to the entity are used for data entry.
- Locking Data in the Application – This is the process to lock data after the period is closed so that data cannot be either purposely or inadvertently changed.
- Annual/Period Rollover – This is the process to copy data in the application including tax rates, expiration year, and tax automation rules.
- Importing/Validating Book Data, FX rates, and Tax and Apportionment Rates
- Updating/Running/Importing/Exporting Tax Automation – This is the maintenance of tax automation rules and running tax automation or consolidating all with data to seed the application after data is loaded.
- Creating/Updating/Deleting Copy Opening Balances – This is the method by which opening balances and tax and FX rates are copied from one scenario to another.
- Maintaining Standard Smart View workbooks used by all staff – This may cover such workbooks as data load, tax journal, tax footnote, and analytical review. These would be standard worksheets accessed by all staff and generally not ad hoc Smart View workbooks.
- Creating Tax Provision versions during close – This is the process to save the entire tax provision to a separate scenario (for example, Actual1, Actual2) during the close to perform "what if" analysis or to revert back if necessary.
- Creating/Updating/Removing Tax Provision Web Forms, Reports, Grids
- Maintaining Process Control – This is the method by which data review is performed.
- **Tax Users**—Responsible for preparing the tax provision for the legal entity to which they are assigned. Tax Users access various grids, forms, reports and Smart Viewworksheets for their entity.
- **Tax Power Users**—Responsible for preparing the tax provision for the legal entity to which they are assigned. Tax Users access various grids, forms, reports and Smart Viewworksheets for their entity.

- **Tax Reviewers**—Responsible for reviewing and approving the tax provision for the legal entity to which they are assigned. Tax Reviewers access grids, forms, reports and Smart View worksheets.

Data Forms

The Standard Tax Package includes the following data forms, grouped into folders.

Table 1 Data Forms

Data Form	Description
Folder - Current Provision	
Current Provision Regional	Current Provision Regional
Current Provision	Current Provision
Inactive Regional	Inactive Regional
Inactive	Inactive
Interim Tax Provision	Interim Tax Provision
Tax Automation Trace Regional	Tax Automation Trace Regional
Tax Automation Trace	Tax Automation Trace
Tax Credits - By Year of Expiration	Tax Credits - By Year of Expiration
Tax Credits Regional - By Year of Expiration	Tax Credits Regional - By Year of Expiration
Tax Credits Regional	Tax Credits Regional
Tax Credits	Tax Credits
Tax Losses - By Year of Expiration	Tax Losses - By Year of Expiration
Tax Losses Regional - By Year of Expiration	Tax Losses Regional - By Year of Expiration
Tax Losses Regional	Tax Losses Regional
Tax Losses	Tax Losses
Folder - Deferred Tax Provision	
Deferred Tax - Details	Deferred Tax - Details
Deferred Tax - Pretax and Tax	Deferred Tax - Pretax and Tax
Deferred Tax Class - VA	Deferred Tax Class - VA
Deferred Tax Input	Deferred Tax Input
Deferred Tax Regional - Details	Deferred Tax Regional - Details

Data Form	Description
Deferred Tax Regional	Deferred Tax Regional
Deferred Tax	Deferred Tax
Temporary Differences Regional	Temporary Differences Regional
Temporary Differences	Temporary Differences
VA Allocation - VA	VA Allocation - VA
VA Allocation	VA Allocation
Folder - ETR	
Consolidated ETR	Consolidated ETR
Statutory ETR Regional	Statutory ETR Regional
Statutory ETR	Statutory ETR
Total Tax Provision Regional	Total Tax Provision Regional
Total Tax Provision	Total Tax Provision
Folder - IFRS	
Consolidated ETR - IFRS	Consolidated ETR - IFRS
Consolidated ETR Tax Rate - IFRS	Consolidated ETR Tax Rate - IFRS
Deferred Tax - IFRS- Details	Deferred Tax - IFRS- Details
Deferred Tax - IFRS	Deferred Tax - IFRS
Deferred Tax for TAR - IFRS - Details	Deferred Tax for TAR - IFRS - Details
Deferred Tax for TAR - IFRS	Deferred Tax for TAR - IFRS
Deferred Tax for TAR Reclass - IFRS	Deferred Tax for TAR Reclass - IFRS
Deferred Tax Not Recognized	Deferred Tax Not Recognized
Deferred Tax Proof Regional	Deferred Tax Proof Regional
Deferred Tax Proof	Deferred Tax Proof
Sch - Book v Tax Analysis - DTP - Regional	Sch - Book v Tax Analysis - DTP - Regional
Sch - Book v Tax Analysis - DTP	Sch - Book v Tax Analysis - DTP
Sch - Book v Tax Analysis 1	Sch - Book v Tax Analysis 1
Sch - Book v Tax Analysis 2	Sch - Book v Tax Analysis 2
Sch - Book v Tax Analysis 3 with IRE	Sch - Book v Tax Analysis 3 with IRE

Data Form	Description
Sch - Book v Tax Analysis 4	Sch - Book v Tax Analysis 4
Sch - Tax in Equity & Reserves	Sch - Tax in Equity & Reserves
Sch - Tax Risk Provision	Sch - Tax Risk Provision
TAR - IFRS	TAR - IFRS
TAR - Provision & Non Provision - IFRS	TAR - Provision & Non Provision - IFRS
TAR - Summary	TAR - Summary
Tax Rates - IFRS	Tax Rates - IFRS
Temp Diff – BalSheet App – Regional	Temp Diff – BalSheet App – Regional
Temp Diff – BalSheetApp	Temp Diff – BalSheetApp
Folder - Rates	
Consolidated ETR Tax Rate	Consolidated ETR Tax Rate
CopyTaxRates	CopyTaxRates
Exchange Rates - Entity	Exchange Rates - Entity
Exchange Rates	Exchange Rates
NIBT Override Rates	NIBT Override Rates
Override Tax Rates Regional	Override Tax Rates Regional
Override Tax Rates	Override Tax Rates
Tax Rates	Tax Rates
Folder - Supplemental Schedules	
Acquisitions Regional	Acquisitions Regional
Acquisitions	Acquisitions
Country by Country Report	Country by Country Report
Opening Balances by Scenario	Opening Balances by Scenario
Return to Accrual Regional	Return to Accrual Regional
Return to Accrual	Return to Accrual
Sch - Balance Sheet Adjustments	Sch - Balance Sheet Adjustments
Sch - Fines & Penalties	Sch - Fines and Penalties
Tax Basis Balance Sheet	Tax Basis Balance Sheet

Data Form	Description
Validations	Validations
Folder - Tax Account RollForward	
Current Tax Payable - Regional	Current Tax Payable - Regional
Current Tax Payable	Current Tax Payable
Deferred Tax for TAR - Details	Deferred Tax for TAR - Details
Deferred Tax for TAR Reclass Regional	Deferred Tax for TAR Reclass Regional
Deferred Tax for TAR Reclass	Deferred Tax for TAR Reclass
Deferred Tax For TAR Regional - Details	Deferred Tax For TAR Regional - Details
Deferred Tax for TAR Regional	Deferred Tax for TAR Regional
Deferred Tax for TAR	Deferred Tax for TAR
TAR - Summary	TAR - Summary
TAR	Tax Account RollForward
Folder - Custom TAR	
TAR Combined	TAR Combined
TAR National	TAR National
TAR Regional	TAR Regional
Folder - Tax Account RollForward Linked Forms	
TAR - Additional Provision	TAR - Additional Provision
TAR - Adjustments	TAR - Adjustments
TAR - Payments & Refunds - Regional Detail	TAR - Payments & Refunds - Regional Detail
TAR - Payments & Refunds - Regional	TAR - Payments & Refunds - Regional
TAR - Payments & Refunds	TAR - Payments & Refunds
TAR - Provision & NonProvision	TAR - Provision & NonProvision
TAR - Reclass - Regional Detail	TAR - Reclass - Regional Detail
TAR - Reclass - Regional	TAR - Reclass - Regional

2 Using Tax Provision

In This Chapter

Managing Partnerships 19
Interim Tax Provision Calculation 20
Translation Methods 22
Tax Basis Balance Sheet 24
Process Management 26

Managing Partnerships

Tax Provision is designed to capture and reflect 100% of partnership trial balances, activity and related tax attributes, which are ultimately allocated to the partners/owners in accordance with their partnership interests. The allocation is accomplished through the Financial Management Manage Ownership module.

Calculating Ownership

The Manage Ownership feature in Financial Management is used to specify ownership percentages. After percentages are specified, all data is rolled up to parent entities based on the ownership percentages. Consolidation percentages are calculated using the Percent Consolidation [PCon] system account, or by entering Shares information. The system calculates the consolidation percentage using the share information.

For details on managing ownership, see the *Oracle Hyperion Financial Management Administrator's Guide*.

The following example shows how to set ownership percentages for a partnership that is a base entity.

Example: To set up 50% ownership percentage for the base entity FLE204_LP, you would use these settings:

```
Base Entity: FLE204_LP

Point of View Year: 2015

Period: P12/P13

Percent Consolidation [PCon]: 50
```

Manage Ownership

Actions View

Scenario:Actual Year:2012 Period:P12 Entity:FLE204_P1

		[Active]	[Method]	[PCON]	[POWN]	[PMIN]	[PCTRL]	[DOWN]	[Consol1]	[Consol2]	[Consol3]
FLE204_LP	CAD	No	[None]	50.0000	50.0000	0.0000	0.0000	0.0000	0	0	0

Consolidation

To consolidate data at the parent level, specify the Consolidate All with Data consolidation method.

Make sure to use the Consolidate All with Data option to consolidate data at the parent level. In Financial Management, prior to calculation, the system clears all calculated values for base entities and runs the calculations. For parent entities, it clears the calculated cells prior to consolidation. If you only calculate data at the base entity level, the data may not be accurately rolled up from the children and descendant entities.

The system only calculates tax on cells that contain data. For NoData cells, tax calculation is skipped for that account and the original calculated tax remains. You must consolidate the parent entity up to the root to make sure all data is calculated correctly.

Interim Tax Provision Calculation

Tax Provision provides interim provisioning based on the total estimated annualized effective tax rate as determined through the full year forecast. The forecast scenario is provided to perform the calculation of the estimated annualized effective tax rate.

Estimated Annualized Effective Tax Rate

The interim provision is performed at the legal entity level and starts with the forecasted full year pre-tax book income and the pre-tax book income adjustments. In order to determine the current and deferred estimated annualized effective tax rates, the calculation takes into account the impact of permanent and temporary differences. Tax Provision allows input of the full year estimated amounts for permanent differences as adjustments. The components of the deferred tax expense, the tax effect of temporary differences, NOLs, change in valuation allowance, and tax impact of change in tax rates are entered as adjustments in addition to the Temporary Difference data form. Discrete adjustments are ignored when determining the rate.

The current year statutory rate by legal entity is applied to the forecasted annual taxable income to determine tax expense before additional provision items. Additional provision items are added to/subtracted from tax expense to determine the year-to-date total tax and current and deferred amounts.

After the forecasted total tax expense is determined in local currency, these amounts are converted to reporting currency and then summed to determine the consolidated estimated annualized effective tax rate. The consolidated rate is determined by dividing the total interim provision tax by the pre-tax net income after book adjustments.

The deferred tax expense/(benefit) is determined by summing the tax effect of temporary differences/NOLs, plus/minus additional provision items effecting deferred tax including change in valuation allowance, and tax impact of change in tax rates. The current provision is the total tax expense/(benefit) less the deferred tax expense/(benefit).

The estimated annualized current effective tax rate is calculated by dividing the total current tax expense/(benefit) by the pre-tax net income after book adjustments. The estimated annualized deferred effective tax rate is calculated by dividing the total deferred tax expense/(benefit) by the pre-tax net income after book adjustments.

Interim Provision - Consolidated

The consolidated estimated annualized effective tax rate is applied to total year-to-date consolidated pre-tax income after adjustments to determine total tax expense/(benefit). The consolidated estimated annualized current and deferred effective tax rates are applied to total consolidated pre-tax income after adjustments to determine total current and deferred tax expense/(benefit) for purposes of recording the current receivable/(payable) and deferred tax.

Interim Provision Data Form and Report

The Interim Provision data form is used to calculate the current and deferred tax expense by multiplying the estimated annualized effective tax rate times the year-to-date profit before tax. The data form can be used at the legal entity level, applying appropriate effective tax rates, or on a consolidated basis, applying the consolidated effective tax rate.

After the tax is determined, discrete tax amounts can be added as adjustments to the total tax.

Interim Tax Provision

Interim Tax Provision - Interim Tax Provision

Actions

Point of View

Scenario:Actual | Year:2012 | Period:P12 | Entity:EasternUSA.LE101 | ReportingStandard:US_GAAP

	Automated	Adjustment	Current Tax Expense	Deferred Tax Expense	Total Taxes
NIBT					
Book Adjustment 1		14,000,000	14,000,000	14,000,000	14,000,000
Book Adjustment 2					
Book Adjustment 3					
Book Adjustments to NIBT		14,000,000	14,000,000	14,000,000	14,000,000
Book Reclassification 1					
Book Reclassification 2					
Book Reclassification 3					
NIBT Total Book Reclass					
Net Income Before Tax		14,000,000	14,000,000	14,000,000	14,000,000
Estimated Tax Rates			-20.00	35.00	15.00
Tax Expense Before Discrete Items			-2,800,000	4,900,000	2,100,000
Tax Rate Change				-100,000	-100,000
Return to Accrual Adjustments			25,000	-25,000	0
FIN48 - Tax			67,500		67,500
FIN48 - Interest			12,000		12,000
FIN48 - Penalty			1,000		1,000
Additional Discrete Total			105,500	-125,000	-19,500
Total Tax			-2,694,500	4,775,000	2,080,500

Translation Methods

There are two standard methods of translating an account: PVA and VAL. By default, Tax Provision uses the VAL method.

PVA Translation Method

This method retrieves the periodic value for an account and multiplies that by the exchange rate for that period to obtain the translated amount for the current period. Then the translated amount for the current period is added to the prior period's year-to-date (YTD) translated balance in order to calculate the YTD translated amount. The PVA method is usually applied to Income, Expense, and Flow type accounts.

VAL Translation Method

This method retrieves the YTD value in an account and multiplies that by the exchange rate. The VAL method is usually applied to Asset, Liability, and Balance type accounts.

PVA and VAL Example

The following example shows the PVA versus the VAL translation methods.

PVA				
	January	**February**	**March**	**(Divide)**
Average Rate.Francs	0.5	0.6	0.7	
Income Account (Euro)	100	300	600	(YTD Amounts)
Income Account (USD)	200	533	962	(Translated Amount After Consolidation)

The PVA method takes the periodic value in the INCOME ACCT and divides that by the exchange rate for that period. It then adds this result to the translated value from the prior period. It does not change the exchange rate amount or look to the prior period for the exchange rate at all. In the example above, the calculations are as follows:

```
January 100 / 0.5 = 200

February (300 - 100) = 200 / 0.6 = 333 + 200 (JAN) = 533

March (600 - 300) = 300 / 0.7 = 429 + 533 = 962
```

VAL				
	January	**February**	**March**	**(Divide)**
Average Rate.Francs	0.5	0.6	0.7	
Income Account (Euro)	100	300	600	(YTD Amounts)
Income Account (USD)	200	500	857	(Translated Amount After Consolidation)

Using the VAL method instead of PVA, the results would be:

```
January 100 / 0.5 = 200

February 300 / 0.6 = 500

March 600 / 0.7 = 857
```

Global FX Rates

FX rates (for example, spot and average rate) can be set globally for all entities within jurisdictions/countries. The global FX rates are used when translating all entities that are domiciled within that jurisdiction/country.

Override FX Rates

Entity and Parent-Level Override FX rates

You can override the global FX rates by entity, including the ability to enter FX rates specific to a parent entity.

Net Income Before Tax (NIBT) Override FX rates

The system translates NIBT and does not require the upload of NIBT or Trial Balance in any other currency, including reporting currency. The FX rate applied to NIBT can be overridden to allow the tie-out to the translated NIBT in the consolidation system when necessary.

The difference between the NIBT override rate and the average rate * NIBT is classified as a permanent difference for the current provision and the consolidated and statutory effective tax rate reconciliations.

Tax Account Rollforward

The F/X rate applied to payments and refunds are translated at the average rate. However, you can override this rate using the end of period spot rate (for example, monthly or quarterly) as required.

Viewing Data in Different Currencies

In all reports and selected data forms, you can view the data in three different currencies including:

- Entity Currency (local currency)
- Parent Currency (immediate parent)
- Reporting Currency

You can change the currency by selecting the Value dimension in data forms or reports.

Tax Basis Balance Sheet

The following figure shows a sample Tax Basis Balance Sheet.

Tax Basis Balance Sheet

Tax Basis Balance Sheet - Tax Basis Balance Sheet

Actions

Point of View

Scenario:Actual | Year:2012 | Period:P12 | Entity:EasternUSA.LE105 | ReportingStandard:IFRSUnderlying

	Trial Balance Closing Balance	Trial Balance Closing Balance Manual Adjustments	Trial Balance Closing Balance Adjusted	Closing Balance	Tax Basis BS Preliminary	Current Year Tax Data (Book Accounts)	Current Year Tax Data (Tax Accounts)	Current Year Tax Data	Tax Basis BS Variance
Cash	456,800		456,800		456,800	456,800		456,800	0
Accounts Receivable	36,000		36,000		36,000	36,000		36,000	0
Bad Debt	-4,800		-4,800		-4,800	-4,800		-4,800	0
ARO									
Accounts Receivable - Net	31,200		31,200		31,200	31,200		31,200	0
Merchandise	45,000		45,000		45,000	45,000		45,000	0
Inventory	510,000		510,000		510,000	510,000		510,000	0
Deferred Income Tax Asset - Current - National	2,218		2,218		2,218				2,218
Deferred Income Tax Asset - Current - Regional	50,180		50,180		50,180				50,180
Valuation Allowance - Current - National	-41		-41		-41				-41
Valuation Allowance - Current - Regional									
Total Short-term Assets	1,095,357		1,095,357		1,095,357	1,043,000		1,043,000	52,357
Plant & Equipment	475,000		475,000		475,000	475,000		475,000	0
Accumulated Depreciation	-99,200		-99,200		-99,200	-99,200		-99,200	0
PPE									
UCC									
MACRS									
Total PPE									
Total PP&E, Net	375,800		375,800		375,800	375,800		375,800	0
Intangible Assets	354,500		354,500		354,500	354,500		354,500	0
Accumulated Amortization	-30,000		-30,000		-30,000	-30,000		-30,000	0
Total Long-term Assets	700,300		700,300		700,300	700,300		700,300	0
Deferred Income Tax Asset - Non Current - National	98,853		98,853		98,853	30,000		30,000	68,853
Valuation Allowance - Non Current - National	-1,819		-1,819		-1,819				-1,819
Deferred Income Tax Asset - Non Current - Regional									
Valuation Allowance - Non Current - Regional									
Other	70,000		70,000		70,000	70,000		70,000	0
Temp 1 - XXXX				10,000	10,000				10,000
Temp 2 - XXXX				10,000	10,000				10,000
Temp 3 - XXXX									
Other Tax Assets	70,000		70,000	20,000	90,000	70,000		70,000	20,000
Total Other Assets	167,034		167,034	20,000	187,034	100,000		100,000	87,034
Total Assets	1,962,691		1,962,691	20,000	1,982,691	1,843,300		1,843,300	139,391

Description of the Tax Basis Balance Sheet columns based on the provided configuration:

1. Trial Balance Closing Balance: This is automatically populated from the balance sheet loaded in P12.
2. Trial Balance Closing Balance Manual Adjustments: These are manual adjustments to adjust Assets/Liabilities as necessary.
3. Trial Balance Closing Balance: This is the roll-up of columns 1 and 2.
4. Closing Balance: This is automatically populated from the Temporary Differences schedule in P12.
5. Tax Basis BS Preliminary: This is the roll-up of columns 3 and 4.
6. Current Year Tax Data (Book Accounts): This is the balance sheet manually loaded/ uploaded through FDM or Smart View that was used to prepare the tax return (final).
7. Current Year Tax Data (Tax Accounts): This is the cumulative (closing) Temporary Differences manually loaded/ uploaded through FDM or Smart View that were determined in the preparation of the tax return.
8. Current Year Tax Data: This is the roll-up of columns 6 and 7. The tax basis balance sheet is based on the tax return filing.
9. Tax Basis Balance Sheet Variance: This is the difference between the tax basis balance sheet per the tax accounting records and the tax return as filed.

Timing

This schedule can be run during any period in the year. It details the tax basis balance sheet detail (columns 1-5) based on the accounting records, including the closing temporary difference per the tax accounting records. To complete the analysis during the year, you must perform all the

necessary steps to determine the actual tax basis balance sheet as if the return was filed. For example, many companies estimate the difference between book and tax depreciation for the tax provision/tax accounting records and true it up when the return is filed. If this is your approach, then the accounting records would include an estimate of the closing temporary difference as opposed to the actual closing temporary difference. Therefore, for periods other than P12, you must calculate the tax basis in columns 6-8 to derive an actual tax basis balance sheet. The determination of an actual tax basis balance sheet during interim periods (periods 1-1) can be done, but generally is not performed.

Automation

This functionality is developed to maximize automation but also provide options for completion. Although columns 1-5 are in automated in the system, you can optionally automate columns 6-8. The options are to:

- Complete the tax return in P13, including deferreds, and then map the trial balance and closing temporary differences to this schedule. This would require some minor customization.
- Upload the final trial balance and closing temporary differences based on the tax return to column 6 and 7 respectively with Smart View or FDM.

Process Management

Process management is the management of the review and approval process of financial data. You can use process management to submit budget plans and have them approved efficiently, and to transfer ownership of data. In a centralized environment, you can also use process management to provide review control and to ensure data privacy.

For the purpose of review, data is organized into process units. A process unit is the combination of data for a specific Scenario, Year, Period, Entity, and Value dimension. For example, a process unit could be a combination of data for Actual, 2014, January, WestSales, and USD.

In Tax Provision applications, you can set up process management hierarchies and submit, promote, approve, reject, and publish process units.

For information on setting up process management, see the Managing Process Management Submission Phases section in the *Oracle Hyperion Financial Management Administrator's Guide*.

For information on submitting, promoting, approving, rejecting, and publishing process units, see the Using Process Management section in the *Oracle Hyperion Financial Management User's Guide*.

3 National Tax Process

In This Chapter

Tax Rates....27
Consolidated Tax Rate....28
Tax Automation....29
Current Provision....29
Tax Losses....33
Tax Credits....34
Acquisitions....34
Temporary Differences....35
Deferred Tax....38
Statutory and Consolidated Effective Tax Rate (ETR)....41
Tax Account RollForward (TAR)....41
Tax Basis Balance Sheet....43
Return to Accrual....44
Supplemental Schedule - Balance Sheet Adjustments....45
Supplemental Schedule - Fines and Penalties....45

Tax Rates

Tax Provision requires input of the appropriate national income tax rates and regional income tax and apportionment rates at the legal entity level.

The Tax Rates form contains the national and regional tax and apportionment rates needed by the system to compute the national and regional provision for a specific entity. These tax rates are listed below:

- **Prior Year Tax Rate**—The national statutory tax rate for the prior year; used for informational purposes.
- **Current Year Tax Rate**—The national statutory tax rate for the current period; used in the calculation of the current provision, current year activity in the deferred tax rollforward, foreign rate differential in the consolidated effective tax rate report, and the current year tax rate change component in the deferred tax rollforward.
- **Current Temp Opening Rate**—The beginning-of-year deferred tax rate to be used for temporary differences classified as current; used in the calculation of the beginning of year

deferred tax asset/liability and the beginning of year rate change component in the deferred tax rollforward.

- **Current Temp Closing Rate**—The end-of-year deferred tax rate to be used for temporary differences classified as current; used in the calculation of ending deferred tax asset/liability and the beginning-of-year and current-year rate change components in the deferred tax rollforward.
- **Non-Current Temp Opening Rate**—The beginning-of-year deferred tax rate to be used for temporary differences classified as noncurrent; used in the calculation of the beginning-of-year deferred tax asset/liability and the beginning-of-year rate change component in the deferred tax rollforward.
- **Non-Current Temp Closing Rate**—The end-of-year deferred tax rate to be used for temporary differences classified as noncurrent; used in the calculation of the ending deferred tax asset/liability and the beginning-of-year and current-year rate change components in the deferred tax rollforward.

Additionally, the system requires the apportionment rate for regional calculations on a jurisdiction-by-jurisdiction basis. The apportionment rate is listed below:

- **Apportionment Percentages, Opening**—The prior-year apportionment percentage to be used by the system in the calculation of the opening tax balances in the deferred provision.
- **Apportionment Percentages, CY**—The current-year apportionment percentage to be used by the system in the calculation of apportioned income in the current provision and tax based on current-year activity in the deferred provision.
- **Apportionment Percentages, Closing**—The end-of-year apportionment percentage to be used by the system in the calculation of closing tax balances in the deferred provision.

➤ To enter tax rates:

1. Open the **Tax Rates** form.
2. Set the Point of View by selecting members for the Scenario, Year, Period, and Entity dimensions.
3. Enter the rate for each type.
4. Click **Submit Data**.

Consolidated Tax Rate

You must enter the appropriate consolidated income tax rate to create the Consolidated Effective Tax Rate Reconciliation.

➤ To enter the consolidated tax rate:

1. Open the **Consolidated ETR Tax Rates** form.
2. Set the Point of View by selecting members for the Scenario, Year, and Period dimensions.
3. Enter the rate.
4. Click **Submit Data**.

Tax Automation

Using the Tax Automation process, the system copies the Net Income Before Tax from the entity's income statement into the Net Income Before Tax row of the Current Provision. This ensures that the starting point of the Current Provision equals pretax income of the legal entity's financial statements. The Tax Automation process can also be used to automate the amount of Net Income Before Tax adjustments that flow to the Current Provision (for example, Book adjustments and Book reclassifications).

Using the Permanent and Temporary Difference automation process, Financial Management uses the Balance Sheet and Income Statement data to populate those permanent and temporary differences, which can be automated from the general ledger to reduce reconciliation time and increase accuracy.

The Application Administrator defines the source and destination members, and runs the Tax Automation process.

Current Provision

The current provision calculation is as follows:

- NIBT—Automatically populated from the income statement loaded into the system plus/minus
- NIBT Total Book Adjustment—Usually manual adjustments or automated amounts
- NIBT Total Book Reclass—Usually manual adjustments or automated amounts
- Net Income Before Tax— Also the starting point for the effective tax rate report. The following items are then added to/subtracted from this balance:
- Total Permanent Differences (GAAP to Stat)—A combination of automated and manual amounts plus/minus
- Total Temporary Differences (GAAP to Stat)—A combination of automated and manual amounts equals
- Local Statutory Net Income Before Tax—Plus/minus
- Total Permanent Differences (Stat to Tax)—A combination of automated and manual amounts plus/minus
- Total Temporary Differences (Stat to Tax)—A combination of automated and manual amounts equals
- Deductible Income tax—A combination of automated and manual amounts, depending on the nature of the deductible taxes equals
- Taxable Income Before Loss—Plus/minus
- Tax Losses—Net Operating Loss—Manual input in the current provision input schedules plus/minus
- Special Deductions—Manual inputs for dividends received deduction or other items equals
- Taxable Income—Multiplied by

- National Tax Rate—Current year equals
- Current Tax on Taxable Income—Plus/minus
- Tax Credits—Plus/minus
- Additional Provision Items—A combination of automated and manual adjustments on a tax-effected basis equals
- Current Provision

The form contains the following members in the columns (across):

- CYSys—Current Year System—Current year book-tax difference automated in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are automated and impact the current tax expense.
- CYAdj — Current Period Adjustment—Current year book-tax difference adjustments input in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are manually input and impact the current tax expense.
- CY—Current Period Total—The sum of CYSys and CYAdj.

Net Income Before Tax

Net Income Before Tax is automatically populated in the Current Provision form through the Tax Automation process. The system provides for several existing Net Income Before Tax adjustments as well as the ability to configure adjustments for situations where the Net Income Before Tax must be adjusted (for example, late adjustments, partnership income, and other). The system provides these Net Income Before Tax adjustments:

- Book Adjustment
- Book Reclassification

You can configure the Net Income Before Tax and Net Income Before Tax adjustments to be automated from the general ledger or manually input.

Automated Setting—If an account is configured as automated, the Net Income Before Tax automation process populates the current provision in local currency from the general ledger. Automatic configuration ensures that the Net Income Before Tax in Oracle Hyperion Financial Management matches the financial statements.

Manual Setting—If an account is configured as manual, the value in this account is entered manually in the current provision and the system translates this value using the average FX rate or override average FX rate as required in the application.

Permanent and Temporary Differences

Permanent and temporary differences are categorized into two categories to account for the differences between GAAP and Statutory reporting requirements of entities:

- GAAP to Statutory adjustments
- Statutory to Tax adjustments

For some legal entities, the local tax regulations require a different basis of accounting from those of the parent. These entities use GAAP to Stat adjustments.

Entities that do not use or do not have GAAP to Statutory permanent or temporary differences (entities for which reporting standards and local tax regulations are the same) can use the Statutory to Tax permanent and temporary differences sections.

Temporary differences may be classified as current or noncurrent for purposes of determining the correct Balance Sheet classification.

The permanent and temporary difference amounts can be manually input or automated. The manual inputs also include adjustments to the automatically calculated values that may be needed.

Equity Permanent Differences:

An account setting for equity permanent difference accounts provides for an adjustment to taxable income and a corresponding reversing adjustment on a tax effected basis resulting in no impact to current tax charge and the ETR report on a net basis.

Equity Temporary Differences:

An account setting for equity temporary difference accounts provides for an adjustment to taxable income and a corresponding reversing adjustment on a tax effected basis resulting in no impact to current tax charge. The current year movement in deferred tax is treated as an equity (i.e. balance sheet) movement resulting in no impact to deferred tax charge.

Deductible Regional/Other Taxes

This section provides for the automatic deduction of regional taxes that are configured to be deductible in the system, as well as manual adjustments for other taxes that are deductible at the national level.

- Regional Income Taxes—Automated value comes from the regional current provision if the regional deduction is configured to be deductible plus/minus
- Other Deductible Income Taxes—Manual input for other taxes that are deductible at the national level equals
- Deductible Income Tax

Tax Losses

The system tracks National tax losses in these categories:

- National Tax Losses—Current—used to bring taxable income up to 0 for an entity with a loss in the current year, which should be carried forward

- Net Operating Loss—Carryforward—used to record the utilization of any Net Operating Loss carryforward against the current year taxable income

For details, see "Tax Losses" on page 31.

Tax Credits

The system tracks the impact of tax credits. National tax credits utilized in the current year are input in the Current Provision form and automatically flow to the gross temporary difference input schedule, thereby automating the calculation of the related deferred tax asset. The system then tracks Tax Credit carryforwards in the gross temporary difference rollforward, but not the detailed composition form (by year, expired, and so on). The detailed composition of individual tax credits (for example, year, expiration) can be tracked in the Tax Credits Form and Report; however, no automation is available.

Additional Provision Items

The system has additional provision items that are manually input or automated on a tax-effected basis. These items are used for taxes that are not based on taxable income or multiplied by a tax rate or other adjustments that are reported in the current provision of the financial statements (for example, FIN48). These additional provision items affect the total tax provision and are reflected in the Effective Tax Rate (ETR) reports as rate reconciliation adjustments. Below is a list of additional provision items.

Source

- Additional 1
- Additional 2
- Additional 3
- Return to Accrual—Current Tax Expense—Automated

Manual

- Audit Adjustments—Current Tax Expense—(Current and Total Tax Expense)
- Texas Margin Tax— Current Tax Expense—(Current and Total Tax Expense)
- FIN48 Adjustments—Current Tax Expense—(Current and Total Tax Expense)

Calculated

- Return to Accrual—Current Tax Expense—Automated
- Permanent Equity Adjustments—Current Tax Expense—Automated
- Temporary Equity Adjustments—Current Tax Expense—Automated

Signage

The signage of the current provision:

- Pretax income is reflected as a positive value, and a loss is reflected as a negative value. This signage is the same through the calculation of taxable income.
- Tax expense is reflected as a positive value, and a tax benefit is reflected as a negative value. This is true for the presentation of calculated tax, credits, and additional provision items to arrive at the total current provision.

Tax Losses

The tax loss process is designed to capture the detail composition of the tax losses including the year generated and the corresponding year of expiration. The process is integrated with the current provision and the temporary difference rollforward. The tax year generated is maintained in the rows including the current year and 20 previous years, and one category for losses originated 21+ years ago.

The form provides a rollforward of the tax loss balances by year as follows:

- **Original Loss** (calculated from prior period)—Amount of the original loss, plus
- **Created** (calculated)—Amount of the current year tax loss coming to be deferred that is coming from the current provision, plus
- **Expiration** (calculated)—Amount of the current year tax expiring that is automated by the system, equals (subtotal)
- **Available** (calculated)—Amount of tax losses available to offset taxable income in the current period, plus
- **CY Utilization** (manual input)—Amount of tax losses utilized in the current period that will be transferred to the current provision, plus
- **Return to Accrual adj** (manual input)—Amount of tax loss adjusted in the current period due to Return to Accrual adjustments as a result of the filing of tax returns. (Note: Amount goes to the temporary difference rollforward to be written off in RTA Deferred only), plus
- **Other Adjustments** (manual input)—Amount of tax loss adjusted in the current period due to other adjustments. (Note: Amount goes to the temporary difference rollforward to be written off in Other Adjustments Deferred Only), equals
- **Carryforward** (calculated)—Amount of tax loss carried forward.

The Tax Losses Form contains data used to consolidate the financial statement footnote disclosure for amount and expiration of Tax Losses. The Tax Losses - By Year of Expiration Report can be used to see entity and consolidated level tax losses by year of expiration. This information can be used to construct the footnote disclosure regarding loss expirations and amounts if required.

Tax Credits

The tax credit process is designed to capture the detail composition of the tax credits, including the year generated and the corresponding year of expiration. The process is not integrated with the current provision or temporary difference rollforward. The tax year generated is maintained in the rows including the current year and 10 previous years, and one category for credit originated 10+ years ago.

The form provides a rollforward of the tax credit balances by year as follows:

- **Original Credit** (calculated from prior period)—Amount of the original credit, plus
- **Created** (manual input)—Amount of the current year tax credit to be deferred, plus
- **Expiration** (manual input)—Amount of the current year tax credit expiring, equals (subtotal)
- **Available** (calculated)—Amount of tax credit available to offset taxable income in the current period, plus
- **CY Utilization** (manual input)—Amount of tax credit utilized in the current period that will be transferred to the current provision, plus
- **Return to Accrual adj** (manual input)—Amount of tax credit adjusted in the current period due to Return to Accrual adjustments as a result of the filing of tax returns. (Note: Amount goes to the temporary difference rollforward to be written off in RTA Deferred only), plus
- **Other Adjustments** (manual input)—Amount of tax credit adjusted in the current period due to other adjustments, equals
- **Carryforward** (calculated)—Amount of tax credit carried forward.

The Tax Credit Form contains data used to consolidate the financial statement footnote disclosure for amount and expiration of tax credits when applicable. The Tax Credits - By Year of Expiration Report can be used to see entity and consolidated level tax credits by year of expiration. This information can be used to construct the footnote disclosure regarding credit expirations and amounts if required.

Acquisitions

Acquisitions in the current year can be input in the Temporary Difference and Deferred Tax columns of the Acquisition form. The system does not calculate the deferred taxes.

Any rate changes that result from acquisition amounts are calculated by the system. Tax rate change adjustments in the system are recorded as P&L expense. To adjust the P&L for tax rate changes that should not affect the P&L, the changes should be entered to Impact to Tax Rate Changes-Adjustment.

The Acquisitions form provides accounting for the following situations:

- The system allows for multiple acquisitions throughout the year.

- For each period, an acquisition input template enables you to input values for each temporary difference, carryforward, credit, and valuation allowance for a company acquired in the current period.

Temporary Differences

The Temporary Differences form is used to enter the temporary differences that are not automated in the system. Amounts include temporary differences, tax losses, tax credits, federal or state credits, and the related valuation allowances. You can also enter activity such as current year and prior year adjustments and nonprovision/equity items.

Each temporary difference may be set up as either Current or Noncurrent for Balance Sheet classification purposes. To view these classifications, open the Temporary Differences Properties report. Temporary differences, Tax Losses, and Valuation Allowance (for example, current, noncurrent and tax losses) adjustments are entered on a pretax basis. Tax credits and valuation allowance–tax credits are entered on a tax-effected basis. The following valuation allowance accounts are provided:

- Current temporary differences
- Noncurrent temporary differences
- Tax Losses
- Tax Credits

All valuation allowances should be negative values, except for current year or other adjustment amounts that are meant to reduce the valuation allowance.

The application meets the requirements of ASC740 so that the total valuation allowance is allocated between the Current and Noncurrent assets in proportion to the respective values of the Current and Noncurrent deferred tax assets. For example, if the total valuation allowance is $100,000 with gross Current deferred tax assets of $200,000 and gross Noncurrent deferred tax assets of $800,000 (Noncurrent temporary differences, Tax Losses, and credits), the valuation allowance is allocated $20,000 (20%) to Current, and $80,000 (80%) to Noncurrent.

The form contains the following members in the columns (across):

- **Opening**—Opening Balance—The prior year end temporary differences. It is populated automatically.
- **PYAdj**—Prior Year Adjustment (Restatement)—This column is used when the opening balance of a deferred tax asset/(liability) must be restated with no impact on the provision. This adjustment affects only the beginning balance of the deferred tax asset/(liability) and does not affect the deferred provision. The amounts are entered manually.
- **TempDiffOpeningAdjusted**—Opening Balance As Adjusted—The beginning-of-year balance after adjustments and is calculated (Opening + PYAdj).
- **CYSys**—Automated—The current year book-tax difference automated in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are automated only and affect the deferred tax expense.

- **CySysReversal**——Automated Reversal—The reversal of the current-year book-tax difference automated in the current provision. This amount is automated based on the setting of equity temporary differences at the account level. Amounts for this column affect the deferred tax expense.
- **CYSysTotalNoTR**—Automated Total—The sum of CYSys and CYSysReversal.
- **CYAdj**—Adjustment—The current-year book-tax difference input in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are manually input and impact the deferred tax expense.
- **CYAdjReversal**—Adjustment Reversal—The reversal of the current year book-tax difference manually input in the current provision. This amount is automated based on the setting of equity temporary differences at the account level. Amounts for this column affect deferred tax expense.
- **CYAdjTotalNoTR**—Adjustment Total—The sum of CYAdj and CYAdjReversal.
- **CYNoTR**—Total—The sum of CYSysTotal and CYAdjTotal.
- **RTADO**—Return to Accrual—The adjustments to temporary differences based on the Return to Accrual form. This amount is automated from the Return to Accrual form and affects deferred tax expense.
- **AuditDO**—Audit Settlements—The adjustment to temporary differences resulting from audit settlements. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **OtherSys**—Other Adjustments—Automated—The automated adjustment to temporary differences from any other type of adjustment. This amount can be automated from supplemental schedules in Tax Provision.
- **OtherDO**—Other Adjustments—The adjustment to temporary differences resulting from any other type of adjustment. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **OtherTotal**—Other Adjustments Total—This is the sum of OtherSys and OtherDO.
- **TransfersDO**—Transfers—The adjustment to temporary differences resulting from transfers of assets/liabilities and the related temporary differences. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **PYAAdjDO**—Prior Year Adjustments—The adjustment to temporary differences resulting from prior year adjustments. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **ContingencyDO**—Contingency—The adjustment to temporary differences resulting from tax contingencies related to temporary differences. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **TempDiffCYTotal**—P&L Total—The total of CY, RTADO, AuditDO, OtherDO, TransfersDO, PYAAdjDO, and ContingencyDO.
- **AcqNP**—Acquisitions—The adjustment to temporary differences resulting from the acquisition of assets/liabilities and the related temporary differences. This amount is automatically transferred from the Acquisitions form. Amounts do not affect deferred tax expense.

- **DisposalsNP**—Disposals—The adjustment to temporary differences resulting from the disposals of assets/liabilities and the related temporary differences. This amount is manually entered to the temporary difference rollforward and does not impact deferred tax expense.
- **EquitySysNP**—Equity System—The adjustment to temporary differences resulting from equity transactions. This amount is automated based on equity temporary difference settings at the account level and does not affect the deferred tax expense.
- **EquityAdjNP**—Equity Adjustment—The adjustment to temporary differences resulting from equity transactions. This amount is manually entered to the temporary difference rollforward and does not affect the deferred tax expense.
- **EquityNPNTR**—Total Equity—EquitySysNP—The total of EquitySysNP and EquityAdjNP.
- **EquityRTANP**—Equity Prior Year—The adjustment to temporary differences resulting from equity transactions and return filing. This amount is automated based on equity temporary difference settings at the account level and does not affect the deferred tax expense.
- **EquityOtherNP**—Equity Other—The adjustment to temporary differences resulting from all other equity transactions. This amount is manually input and does not affect the deferred tax expense.
- **TempDiffEquityNPTotal**—Equity Total—The sum of EquityNP, EquityRTA, and EquityOtherNP.
- **TempDiffNPTotal**—Non P&L Total—The sum of AcqNP, DisposalsNP, and EquityNPTotal.
- **TempDiffClosing**—Closing Balance—The sum of OpenAdjusted, TempDiffCYTotal, and TempDiffNPTotal.

The form contains the following members in the rows (down):

- **TempGSTotal**—Total Temporary Differences (GAAP to Stat)—The parent of base accounts that are user-defined upon implementation.
- **TempSTTotal**—Total Temporary Differences (STAT to Tax)—The parent of base accounts that are user-defined upon implementation.
- **EquityTempTotal**—Total Equity Temporary Differences—The parent of base accounts that are equity in nature and are user-defined upon implementation
- **TaxLossesTotal**—Total Tax Losses—The parent of system-provided base accounts that are used for Tax Losses that are deferred. These are system-defined, and two accounts are provided: Current Year and Carryforward. Carryforward is linked to the Tax Losses form. See "Tax Losses" on page 31.
- **TaxCreditTotal**—Total Tax Credits—The parent of system-provided base accounts that are used for Tax Credits that are deferred.
- **TaxAttribTotal**—Total Tax Attributes—The parent of base accounts that are user-defined upon implementation. Amounts are usually entered on a tax-effected basis in the temporary difference rollforward and may be considered adjustments to deferred tax.

- **VATotal**—Total Valuation Allowance—The parent of base accounts that are used to record valuation allowances against assets as required. Four accounts are provided: Current, Noncurrent, Credits, and TaxLoss. Credits are entered on a tax-effected basis, while amounts entered in the other accounts are entered on a pretax basis.

Deferred Tax

The Deferred Tax form is used to view the deferred tax calculation.

The form contains the following members in the columns (across):

- **Opening**—Opening Balance—The tax effect of the prior year end temporary differences.
- **NBROpening**—Opening Balance—NBR—The Net Benefit of Regional (NBR) deferred tax on the opening balance when the regional income taxes (for example, U.S. state income taxes) are deductible for federal tax purposes.
- **OpeningTotal**—Net Opening Balance—The sum of Opening and NBROpening.
- **PYAdj**—Prior Year Adjustment (Restatement)—The tax effect of prior year adjustments.
- **NBRPYAdj**—Prior Year Adjustment—NBR—The Net Benefit of Regional deferred tax on prior year adjustments when the regional income taxes (for example, U.S. state income taxes) are deductible for federal tax purposes.
- **PYADJTotal**—Net Prior Year Adjustment—The sum of PYAdj and NBRPYAdj.
- **OpeningAdjusted**—Opening Balance as Adjusted—The sum of OpeningTotal + PYAdjTotal.
- **CYSys**—Current Year System—The tax effect of the current year book-tax difference automated in the current provision.
- **CYSysReversal**—Current Period System Reversal—The tax effect of the reversal of the current year book-tax difference automated in the current provision.
- **CYSysTotal**—Automated Total—The sum of CYSys and CYSysReversal.
- **CYAdj**—Current Period Adjustment—The tax effect of the current year book-tax difference input in the current provision.
- **CYAdjReversal** — Current Period Adjustment Reversal—The tax effect of the reversal of the current year book-tax difference manually input in the current provision.
- **CYAdjTotal**—Adjustment Total—The sum of CYAdj and CYAdjReversal.
- **CY**—Total—The sum of CYSysTotal and CYAdjTotal.
- **RTADO**—Return to Accrual—The tax effect of the adjustments to temporary differences based on the Return to Accrual form.
- **AuditDO**—Audit Settlements—The tax effect of the adjustment to temporary differences resulting from audit settlements.
- **OtherSys**—Other Adjustments—Automated—The tax effect of the adjustments to temporary differences resulting from any other type of adjustment automated in Tax Provision.

- **OtherDO** — Other Adjustments—The tax effect of the adjustment to temporary differences resulting from any other type of adjustment.
- **TransfersDO**—Transfers—The tax effect of the adjustment to temporary differences resulting from transfers of Assets/Liabilities and the related temporary difference.
- **PYAAdjDO**—Prior Year Adjustments—The tax effect of the adjustment to temporary differences resulting from prior year adjustments.
- **ContingencyDO**—Contingency—The tax effect of the adjustment to temporary differences resulting from tax contingencies related to temporary differences.
- **TempDiffCyTotal**—Temporary Differences P&L Total—The total of CY, RTADO, AuditDO, OtherDO, TransfersDO, PYAAdjDO, and ContingencyDO.
- **RCOpen**—Impact from Change in Tax Rates—Opening—The tax effect of tax rate changes as it relates to the beginning balance.
- **RCCY**—Impact from Change in Tax Rates—Opening—The tax effect of tax rate changes as it relates to current year activity.
- **RCAcqNP**—Impact from Change in Tax Rates—Acquisitions—The tax effect of tax rate changes as it relates to acquisitions.
- **RCTotal**—Impact from Change in Tax Rates—The sum of RCOpen, RCCY, and RCAcqNP.
- **NBRCY**—Net Benefit of Region—The tax effect of the Net Benefit of the Regional deferred tax expense as it relates to current-year activity.
- **CYTotal**—Total Deferred Tax Expense—The sum of CY, RTADO, AuditDO, OtherDO, TransfersDO, PYAAdjDO, ContingencyDO, RCTotal, and NBRCY.
- **AcqNP**—Acquisitions—The tax effect of the adjustment to temporary differences resulting from the acquisition of assets and liabilities and the related temporary difference.
- **RCAcqReversal**—Impact from Change in Tax Rates—Acquisitions—Reversal—The tax effect of the adjustment to rate. It is the reversal of the amount in RCAcqNP.
- **DisposalsNP**—Disposals—The tax effect of the adjustment to temporary differences resulting from the disposals of assets/liabilities and the related temporary difference.
- **EquitySysNPDT**—Equity Automated—The tax effect of the adjustment to temporary differences resulting from equity transactions.
- **EquityAdjNPDT**—Equity Adjustment—The tax effect of the adjustment to temporary differences resulting from equity transactions.
- **EquityNP**—Equity Automated—EquitySysNP—The total of EquitySysNP and EquityAdjNP.
- **EquityRTANP**—Equity Prior Year—The tax effect of the adjustment to temporary differences resulting from equity transactions and return filing.
- **EquityOtherNP**—Equity Other—The adjustment to temporary differences resulting from all other equity transactions. This amount is manually input and does not affect the deferred tax expense.
- **RCEquityTotal**—Impact from Change in Tax Rates in Equity—The tax effect of tax rate changes for accounts identified as equity.

- **EquityNPTotal**—Total Equity Adjustments—The total adjustment to temporary differences resulting from equity transactions. This is the sum of EquityNP, EquityRTA, and EquityOtherNP.
- **NBRNP**—Non Provision NBR—The tax effect of the Net Benefit of the Regional deferred tax expense as it relates to nonprovision activity.
- **NPTotal**—Total Non Provision—The sum of AcqNP, RCAcqReversal, DisposalsNP, EquityNPTotal, and NBRNP.
- **Closing**—Closing Balance—The sum of OpeningAdjusted, CYTotal, and NPTotal.

The form contains the following members in the rows (down):

- **TempGSTotal**—Total Temporary Differences (GAAP to Stat)—User-defined upon implementation.
- **TempSTTotal**—Total Temporary Differences (STAT to Tax)—User-defined upon implementation.
- **EquityTempTotal**—Total Equity Temporary Differences—The parent of base accounts that are equity in nature and are user-defined upon implementation.
- **TaxLossesTotal**—Total Tax Losses—Used for Tax Losses that are deferred. These are system-defined, and two accounts are provided: Current Year and Carryforward. Carryforward is linked to the Tax Losses form. See "Tax Losses" on page 31.
- **TaxCreditTotal**—Total Tax Credits—The parent of system-provided base accounts that are used for Tax Credits that are deferred.
- **TaxAttribTotal**—Total Tax Attributes—User-defined upon implementation. Amounts are generally entered on a tax-effected basis in the temporary difference rollforward and are considered adjustments to deferred tax.
- **VATotal**—Total Valuation Allowance—Used to record valuation allowances against assets as required. Four accounts are provided: Current, Noncurrent, Credits, and TaxLoss. Credits are entered on a tax-effected basis, while amounts entered in the other accounts are entered on a pretax basis.

The form also provides the classification of deferred tax assets and liabilities as follows:

- Closing—Current Asset
- Closing—Current Liability
- Closing—Noncurrent Asset
- Closing—Noncurrent Liability

The Current or Non-Current setting, together with the value of the Closing—Total Closing Balance, defines in which column the amount is displayed. If this balance is positive, then the amount is classified as an Asset. If this balance is negative, then the amount is classified as a Liability. Valuation allowance is classified using a factor of -1 (for example, Closing*-1) and is therefore always reflected as a contra-asset.

Statutory and Consolidated Effective Tax Rate (ETR)

Tax Provision calculates the Effective Tax Rate (ETR) reconciliation automatically at the statutory and consolidated rates. The statutory and consolidated rate reconciliation forms capture the following items on a pretax and tax-effected basis:

- Net Income Before Tax Adjusted
- GAAP to STAT permanent differences
- STAT to TAX permanent differences
- Regional and additional taxes
- Special Deductions
- Change in valuation allowance
- Foreign rate difference (consolidated ETR)
- Additional provision items
- Effective tax rate

The consolidated rate reconciliation starts with the global statutory tax rate to reconcile to an entity's tax rate using the categories noted above. The statutory rate reconciliation calculation is similar to the consolidated rate reconciliation, but the starting point is based on the entity's statutory tax rate and, therefore, there is no foreign rate difference.

The rate reconciliation automatically calculates the tax impact of reconciling items as a percentage of pretax net income before taxes as adjusted. The system provides the ability to drill down to the lowest level of detail of each of the above reconciling items to view the contribution of each item to the overall effective tax rate, depending on the level of information that is entered.

The foreign rate difference is calculated by taking the difference between the consolidated tax rate and the statutory tax rate and multiplying it times Net Income Before Tax Adjusted, GAAP to STAT permanent differences and STAT to TAX permanent differences.

Tax Account RollForward (TAR)

The system automatically loads the beginning of the year and end of period general ledger balances to the tax accounts rollforward and system-calculated provision. The TAR form provides detail for the current and deferred income tax expense, deferred tax assets/liabilities, current tax payable/receivable, and equity accounts. You can import or enter amounts for payments or refunds and enter adjustments to account balances as necessary through the use of linked forms. Data in the TAR form is used to prepare the tax journal entry. It should be reconciled periodically to the general ledger accounts as required.

This form contains the following members (TaxType and DataCategory) in the columns (across):

- **National/TARFExpenseCurrent**—National Current Expense—The current national income tax amount calculated in the current provision.

- **National/TARFExpenseDeferred**—National Deferred Expense—The deferred national income tax amount calculated in the deferred provision.
- **National/TARFExpense**—National Total Expense—The sum of National Current and Deferred.
- **Regional/TARFExpenseCurrent**—Regional Current Expense—The current regional income tax amount calculated in the current provision.
- **Regional/TARFExpenseDeferred**—Regional Deferred Expense—The deferred regional income tax amount calculated in the deferred provision.
- **Regional/TARFExpense**—The sum of Regional Current and Deferred.
- **TotalNationalandRegional**—The sum of the total National and Regional Current and Deferred.
- **NationalCurrentAsset** — National Current Asset—The amount of national deferred taxes classified as a current asset.
- **National Current Liability** — National Current Liability——The amount of national deferred taxes classified as a current liability.
- **NationalNonCurrentAsse**t — National NonCurrent Asset—The amount of national deferred taxes classified as a noncurrent asset.
- **NationalNonCurrentLiability** — National NonCurrent Liability—The amount of national deferred taxes classified as a noncurrent liability.
- **National/TARFDeferredVAAlocCurrent**—Current Valuation Allowance—The amount of national deferred taxes classified as a current valuation allowance.
- **National/TARFDeferredVAAllocNonCurrent**—NonCurrent Valuation Allowance—The amount of national deferred taxes classified as a noncurrent valuation allowance.
- **National/TARFDeferred**—Total Deferred Tax—The sum of National Current Asset/ Liability, Noncurrent Asset/Liability and Current/Noncurrent Valuation Allowance.
- **RegionalCurrentAsset**—Regional Current Asset—The amount of Regional deferred taxes classified as a current asset.
- **RegionalCurrentLiability** — Regional Current Liability—The amount of Regional deferred taxes classified as a current liability.
- **RegionalNonCurrentAsset** — Regional NonCurrent Asset—The amount of Regional deferred taxes classified as a noncurrent asset.
- **RegionalNonCurrentLiability** — Regional NonCurrent Liability—The amount of Regional deferred taxes classified as a noncurrent liability.
- **Regional/TARFDeferredVAAllocCurrent**—Current Valuation Allowance—The amount of Regional deferred taxes classified as a current valuation allowance.
- **Regional/TARFDeferredVAAllocNonCurrent**—NonCurrent Valuation Allowance—The amount of Regional deferred taxes classified as a noncurrent valuation allowance.
- **Regional/TARFDeferred**—Total Deferred Tax—The sum of Regional Current Asset/ Liability, Noncurrent Asset/Liability, and Current/Noncurrent Valuation Allowance.

- **TotalNationalandRegional**—The sum of the total National and Regional Deferred Assets and Liabilities.
- **National/TARFCurrentPayable**—National Income Tax Payable—The national current tax payable. Amounts are automatically posted from the Current Provision. Payments and refunds are manually input.
- **Regional/TARFCurrentPayable**—Regional Income Tax Payable—The regional current tax payable. Amounts are automatically posted from the Current Provision Regional. Payments and refunds are manually input.
- **National/TARFCurrentReceivable**—National Income Tax Receivable—The national current tax receivable. Amounts are manually posted using the reclassification accounts in the TARF. Payments and refunds are manually input.
- **Regional/TARFCurrentReceivable**—Regional Income Tax Receivable—The regional current tax receivable. Amounts are manually posted using the reclassification accounts in the TARF. Payments and refunds are manually input.
- **National/TARFLongTermPayable**—National Income Tax Long Term Payable—The national tax long-term payable. Amounts are manually posted using the reclassification accounts in the TARF. Payments and refunds are manually input.
- **Regional/TARFLongTermPayable**—Regional Income Tax Long Term Payable—The regional tax long-term payable. Amounts are manually posted using the reclassification accounts in the TARF. Payments and refunds are manually input.
- **TotalNationalandRegional/TARFCurrent**—Total National and Regional—Net (Payable)/Receivable—The total national and regional tax payable/receivable.
- **National/TARFEquity**—National Equity Adjustments—The national equity transactions based on the nonprovision adjustments the deferred tax rollforward. These amounts are automated from the deferred tax rollforward.
- **Regional/TARFEquity**—Regional Equity Adjustments—The regional equity transactions based on the nonprovision adjustments the deferred tax rollforward. These amounts are automated from the deferred tax rollforward.
- **TotalNationalandRegional/TARFEquity**—Total National and Regional—Equity Adjustments—The total national and regional equity adjustments.

Tax Basis Balance Sheet

Tax Provision automatically loads the book basis assets/liabilities and the end of period gross temporary differences to create the Tax Basis Balance Sheet. The Tax Basis Balance Sheet can be used to enter adjustments and the actual tax basis of assets/liabilities based on the return as filed.

This form contains the following RollForward members in the columns (across):

- **TBClosing**—Trial Balance Closing Balance—Automatically populated with the book balance sheet.
- **TaxBasisBSAdjustment**—Used to manually input any adjustments to the book balance sheet as required.

- **TaxBasisBSClosingTotal**—The sum of TBClosing and TaxBasisBSAdjustment.
- **ClosingEquity**—Automated with the end-of-period temporary differences and the offsetting adjustments to equity.
- **TaxBasisBSPreliminary**—Tax Basis BS Preliminary—The sum of TaxBasisBSClosingTotal and ClosingEquity. The preliminary tax basis balance based on the accounting for income tax records.
- **TaxClosing**—Current Year Tax Data (Book Accounts)—The tax basis for the book accounts (for example, non-Temporary Differences). These amounts are manually input.
- **TaxClosing**—Current Year Tax Data (Tax Accounts)—The tax basis for the tax accounts (for example, Temporary Differences). These amounts are manually input.
- **TaxClosing**—Current Year Tax Data—The tax basis for both the book and tax accounts. The sum of Tax Closing for both the book and tax accounts.
- **TBBSTaxBaseVariance**—Tax Basis BS Variance. The difference between the tax basis per the accounting records and the tax basis per the return as filed.

Return to Accrual

Tax Provision provides the ability to true-up the prior-year provision amounts. The tax provision is automatically populated in the form. The return data can be manually input or loaded in the application.

The application allows for multiple years to be analyzed and true-ups posted in the current period. Any data changes to the input schedule initiate automatic calculations to determine the Return to Accrual adjustments required in the current period provision for income taxes (for example, current provision, deferred provision, and so on). The amounts computed flow to the current provision as additional provision items, and into the Temporary Difference form, where the system default assumes all Return to Accrual adjustments impact deferred tax expenses only. Note that the system processes the Return to Accrual in period 13 or P13.

The Return to Accrual may be computed and booked during different quarters depending on the entity. For example, during a calendar year, Canadian entities may book the adjustment in Q3, while U.S. entities may book it in Q4. Therefore, the system is set up to compute a Return To Accrual difference only when a user populates the data, sets the period and year for booking, and calculates the form.

The form contains the following RollForward members (across):

- **CYSys**—Provision System—The automated amounts from the provision for the year specified in the POV.
- **CYAdj**—Provision Adjustment—The manually input amounts from the provision for the year specified in the POV.
- **CY**—Total Provision—The sum of CYSys and CYAdj.
- **CYSys**—Return System—The automated amounts from the return for the year specified in the POV.

- **CYAdj**—Return Adjustment—The manually input amounts from the return for the year specified in the POV.
- **CY**—Total Return—The sum of CYSys and CYAdj.
- **CY**—Return-to-Accrual Differences—The difference between the Total Provision and Total Return

When calculated, the amount flowing to the current provision is the amount in the account CurrentTaxReturn/Current Tax per Return. Differences for temporary differences flow automatically when calculated to the column in the temporary difference rollforward—RTADO—Return to Accrual.

Supplemental Schedule - Balance Sheet Adjustments

Tax Provision provides the ability to use supplemental schedules to automate book-tax differences to the deferred tax rollforward. It provides a supplemental schedule to document and calculate the ending book-tax difference based on the Balance Sheet adjustments by legal entity. You manually input data into the form.

The form contains the following RollForward members (across):

- **TBOpening**—Trial Balance Opening Balance—Automatically populated with the beginning of the year account balances per the book balance sheet.
- **Tax Opening**—Prior Year Tax Data—Automatically populated with the beginning of the year tax balances per the tax basis balance sheet.
- **BookTaxDiffOpening**—Prior Year Book-Tax Difference—Automatically populated with the prior year end cumulative book-tax difference.
- **TBClosingTotal**—Trial Balance Closing Balance—Automatically populated with the current period ending account balances per the book balance sheet.
- **TaxClosing**—Current Year Tax Data (Book Accounts)—Manually input with the current year tax basis for book accounts.
- **TaxClosing**—Current Year Tax Data (Tax Accounts)—Manually input with the current year tax basis for Tax accounts.
- **BookTaxDiffClosing**—Closing Book versus Tax Difference—The sum of TBClosingTotal, TaxClosing—Current Year Tax Data (Book Accounts), and TaxClosing—Current Year Tax Data (Tax Accounts). The amount is the current year end cumulative book-tax difference for the balance sheet account. This amount can be automated to the temporary difference rollforward so that the end of period book-tax difference equals this schedule.

Supplemental Schedule - Fines and Penalties

Tax Provision provides the ability to use supplemental schedules to automate book-tax differences to the current provision. It provides a supplemental schedule to document and

calculate the total nondeductible fines and penalties by legal entity. You manually input data into the form.

The form contains the following RollForward members (across):

- **Source—Amount**—Used to enter the amount of the nondeductible fine or penalty.
- **Source—Jurisdiction**—This column is text and is used to enter the jurisdiction or payee of the fine or penalty.
- **Source—Date of Payment**—This column is text and is used to enter the date the fine or penalty was paid.
- **Source—Related Tax Year**—This column is text and is used to enter the tax year.

4 Regional Tax Process

In This Chapter

Current Provision Regional 47
Acquisitions Regional 51
Temporary Differences Regional 51
Deferred Tax Regional 54
Statutory Effective Tax Rate (ETR) Regional 57
Jurisdictional Netting 57
Return to Accrual Regional 57

Current Provision Regional

The Current Provision Regional calculation is as follows:

- **NIBT**—Automatically populated from the income statement loaded into the system plus/minus
- **NIBT Total Book Adjustment**—Generally manual adjustments or automated amounts
- **NIBT Total Book Reclass**—Generally manual adjustments or automated amounts
- **Net Income Before Tax**—Also the starting point for the effective tax rate report. The following items are then added to or subtracted from this balance:
- **Total Permanent Differences (GAAP to Stat)**—Combination of automated and manual amounts plus/minus
- **Total Temporary Differences (GAAP to Stat)**—Combination of automated and manual amounts equals
- **Local Statutory Net Income Before Tax**—Plus/minus
- **Total Permanent Differences (Stat to Tax)**—Combination of automated and manual amounts plus / minus
- **Total Temporary Differences (Stat to Tax)**—Combination of automated and manual amounts equals
- **Deductible Income Tax**—Combination of automated and manual amounts depending on the nature of the deductible taxes equals
- **Taxable Income Before Loss**—Plus/minus

- **Tax Losses**—Automated based on the jurisdictional setting and manual input in the current provision input schedules plus/minus
- **Special Deductions**—Automated based on the jurisdictional setting and manual input for dividends received deduction or other items equals
- **Regional Taxable Income after National Loss and Special Deduction**—Plus
- **Deductible Income Tax Reversal**—Equals
- **Regional Tax Base**—Plus
- **Total Regional Permanent Differences**—Plus
- **Regional Tax Deduction**—Plus
- **Total Regional Temporary Differences**—Equals
- **Regional Taxable Income before Apportionment**—Times
- **Apportionment Rate**—Equals
- **Regional Apportioned Income**—Plus
- **Regional Apportionment Adjustments**—Plus
- **Regional Tax Losses**—Equals
- **Regional Taxable Income**—Times
- **Regional Tax Rate**—Equals
- **Regional Current Tax on Taxable Income**—Plus
- **Regional Total Tax Credits**—Equals
- **Regional Current Tax per Return**—Plus
- **Regional Provision Items**—Combination of automated and manual adjustments on a tax-effected basis equals
- **Regional Current Provision**

The form contains the following members in the columns (across):

- **CYSys**—Current Year System—Current year book-tax difference automated in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are automated and impact the current tax expense.
- **CYAdj** — Current Period Adjustment—Current year book-tax difference adjustments input in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are automated and impact the current tax expense.
- **CY**—Current Period Total—The sum of CYSys and CYAdj.

Net Income Before Tax

Net Income Before Tax is automatically populated in the Current Provision form through the Tax Automation process. The system provides for several existing Net Income Before Tax adjustments, as well as the ability to configure adjustments for situations where the Net Income

Before Tax needs to be adjusted (for example, late adjustments, partnership income, and other). The system provides these Net Income Before Tax adjustments:

- Book Adjustment
- Book Reclassification

The Net Income Before Tax and Net Income Before Tax adjustments can be configured to be automated from the general ledger or manually input.

Automated Setting: If an account is configured as automated, the Net Income Before Tax automation process populates the current provision in local currency from the general ledger.

Manual Setting: If an account is configured as manual, the value in this account is entered manually in the current provision and the system translates this value using the average FX rate in the system.

Permanent and Temporary Differences

Permanent and temporary differences are categorized into two categories to account for the differences between GAAP and Statutory reporting requirements of entities:

- GAAP to Statutory adjustments
- Statutory to Tax adjustments

For some legal entities, the local tax regulations require a different basis of accounting from those of the parent. These entities use GAAP to Stat adjustments.

Entities that do not use or do not have GAAP to Statutory permanent or temporary differences (entities for which reporting standards and local tax regulations are the same) can use the Statutory to Tax permanent and temporary differences sections.

Temporary differences may be classified as current or noncurrent for purposes of determining the correct Balance Sheet classification.

The permanent and temporary difference amounts can be manually input or automated. The manual inputs also include adjustments to the automatically calculated values that may be needed.

Deductible Regional/Other Taxes and Reversal

This section provides for the automatic deduction and reversal of regional taxes that are configured to be deductible in the system, as well as manual adjustments for other taxes that are deductible at the national level.

- **Regional Income Taxes**—An automated value that comes from the Regional Current Provision if the regional deduction is configured to be deductible plus/minus
- **Other Deductible Income Taxes**—A manual input for other taxes that are deductible at the national level equals
- **Deductible Income Tax**

Tax Losses

The system tracks tax losses in these categories:

- **Regional Tax Losses —Current**—Used to bring taxable income up to 0 for an entity with a loss in the current year which should be carried forward.
- **Regional Tax Losses—Carryforward**—Used to record the use of any net operating loss carryforward against the current year taxable income.

When configured, National Tax Losses and National Special Deductions from the National Current Provision can be deductible by Regional Jurisdiction.

Tax Credits

The system tracks the effect of tax credits. Tax credits used in the current year are input in the Current Provision form and automatically flow to the gross temporary difference input schedule, thereby automating the calculation of the related deferred tax asset. The system then tracks tax credit carryforwards in the gross temporary difference rollforward, but not the detailed composition form (by year, expired). The detailed composition of individual tax credits (for example, year, expiration) can be tracked in the Tax Credits Form and Report; however, no automation is available.

Additional Provision Items

The system has additional provision items that are manually input or automated on a tax-effected basis. These items are used for taxes that are not based on taxable income multiplied by a tax rate or other adjustments that are reported in the current provision of the financial statements (for example, FIN48). These additional provision items impact the total tax provision and are reflected in the Effective Tax Rate (ETR) reports as Rate Reconciliation adjustments. Below is a list of additional provision items.

Source

- Additional 1
- Additional 2
- Additional 3
- Return to Accrual—Current Tax Expense—Automated

Manual

- Audit Adjustments—Current Tax Expense—(Current and Total Tax Expense)
- FIN48 Adjustments—Current Tax Expense—(Current and Total Tax Expense)
- Regional Tax Adjustments—Other

Calculated

- Return to Accrual—Current Tax Expense—Automated

- Permanent Equity Adjustments—Current Tax Expense—Automated
- Temporary Equity Adjustments—Current Tax Expense—Automated

Signage

The signage of the current provision is:

- Pretax income is reflected as a positive value, and a loss is reflected as a negative value. This signage is the same through the calculation of taxable income.
- Tax expense is reflected as a positive value, and a tax benefit is reflected as a negative value. This is true for the presentation of the calculated tax, credits, and additional provision items to arrive at the total current provision.

Acquisitions Regional

Acquisitions in the current year can be input in the Temporary Difference and Deferred Tax columns of the Acquisition form. The system does not calculate the deferred taxes. Any rate changes that result from acquisition amounts are calculated by the system.

Tax rate change adjustments in the system are recorded as P&L expense. To adjust the P&L for tax rate changes that should not affect the P&L, the changes should be entered to Impact to Tax Rate Changes - Adjustment.

The Acquisitions Regional form provides accounting for the following situations:

- The system allows for multiple acquisitions throughout the year.
- For each period, there is an acquisition input template that enables you to input values for each temporary difference, carryforward, credit, and valuation allowance for a company acquired in the current period.

Temporary Differences Regional

The Temporary Difference form is used to enter the temporary differences that are not automated in the system. Amounts include temporary differences, tax losses, tax credits, federal or state credits, and the related valuation allowances. You can also enter activity such as current-year and prior-year adjustments and nonprovision/equity items.

Each temporary difference may be set up as either Current or Non-Current for Balance Sheet classification purposes. To view these classifications, open the Temporary Differences Properties report. Temporary differences, Tax Losses, and Valuation Allowance (for example, current, noncurrent, and tax losses) adjustments are entered on a pretax basis. Tax credits and valuation allowance–tax credits are entered on a tax-effected basis. The following valuation allowance accounts are provided:

- Current temporary differences
- Noncurrent temporary differences
- Tax Losses

- Tax Credits

All valuation allowances should be negative values, except for current year or other adjustment amounts that are meant to reduce the valuation allowance.

The form contains the following members in the columns (across):

- **Opening**—Opening Balance—The prior year end temporary differences. It is populated automatically.
- **PYAdj**—Prior Year Adjustment (Restatement)—Used when the opening balance of a deferred tax asset/(liability) must be restated with no impact on the provision. This adjustment affects only the beginning balance of the deferred tax asset/(liability) and does not impact the deferred provision. The amounts are entered manually.
- **TempDiffOpeningAdjusted**—Opening Balance As Adjusted—The beginning-of-year balance after adjustments and is calculated (Opening + PYAdj).
- **CYSys**—Automated—The current-year book-tax difference automated in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are automated only and impact the deferred tax expense.
- **CYSysReversal**—Automated Reversal—The reversal of the current-year book-tax difference automated in the current provision. This amount is automated based on the setting of equity temporary differences at the account level. Amounts for this column impact the deferred tax expense.
- **CYSysTotalNoTR**—Automated Total—The sum of CYSys and CYSysReversal.
- **CYAdj**—Adjustment—The current-year book-tax difference input in the current provision. This amount automatically flows to the temporary difference rollforward. Amounts for this column are manually input and impact the deferred tax expense.
- **CYAdjReversal**—Adjustment Reversal—The reversal of the current year book-tax difference manually input in the current provision. This amount is automated based on the setting of equity temporary differences at the account level. Amounts for this column impact deferred tax expense.
- **CYAdjTotalNoTR**—Adjustment Total—The sum of CYAdj and CYAdjReversal.
- **CYNoTR**—Total—The sum of CYSysTotal and CYAdjTotal.
- **RTADO**—Return to Accrual—The adjustments to temporary differences based on the Return to Accrual form. This amount is automated from the Return to Accrual form and affects deferred tax expense.
- **AuditDO**—Audit Settlements—The adjustment to temporary differences resulting from audit settlements. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **OtherSys**—Other Adjustments— Automated—The automated adjustment to temporary differences from any other type of adjustment. This amount can be automated from supplemental schedules in Tax Provision.

- **OtherDO**—Other Adjustments—The adjustment to temporary differences resulting from any other type of adjustment. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **OtherTotal**—Other Adjustments Total—This is the sum of OtherSys and OtherDO.
- **TransfersDO**—Transfers—The adjustment to temporary differences resulting from transfers of assets/liabilities and the related temporary differences. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **PYAAdjDO**—Prior Year Adjustments—The adjustment to temporary differences resulting from prior year adjustments. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **ContingencyDO**—Contingency—The adjustment to temporary differences resulting from tax contingencies related to temporary differences. This amount is manually entered to the temporary difference rollforward and affects deferred tax expense.
- **TempDiffCYTotal**— P&L Total—The total of CY, RTADO, AuditDO, OtherDO, TransfersDO, PYAAdjDO, and ContingencyDO.
- **AcqNP**—Acquisitions—For the adjustment to temporary differences resulting from the acquisition of assets/liabilities and the related temporary differences. This amount is automatically transferred from the Acquisitions form. Amounts do not impact deferred tax expense.
- **DisposalsNP**—Disposals—For the adjustment to temporary differences resulting from the disposals of assets/liabilities and the related temporary differences. This amount is manually entered to the temporary difference rollforward and does not impact deferred tax expense.
- **EquitySysNP**—Equity System—For the adjustment to temporary differences resulting from equity transactions. This amount is automated based on equity temporary difference settings at the account level and does not impact the deferred tax expense.
- **EquityAdjNP**—Equity Adjustment—For the adjustment to temporary differences resulting from equity transactions. This amount is manually entered to the temporary difference rollforward and does not affect the deferred tax expense.
- **EquityNPNTR**—Total Equity—The total of EquitySysNP and EquityAdjNP.
- **EquityRTANP**—Equity Prior Year—For the adjustment to temporary differences resulting from equity transactions and return filing. This amount is automated based on equity temporary difference settings at the account level and does not impact the deferred tax expense.
- **EquityOtherNP**—Equity Other—For the adjustment to temporary differences resulting from all other equity transactions. This amount is manually input and does not impact the deferred tax expense.
- **TempDiffEquityNPTotal**—Equity Total—The sum of EquityNP, EquityRTA and EquityOtherNP.
- **TempDiffNPTotal**—Non P&LTotal—The sum of AcqNP, DisposalsNP and EquityNPTotal.
- **TempDiffClosing**—Closing Balance—The sum of OpenAdjusted, TempDiffCYTotal and TempDiffNPTotal.

The form contains the following members in the rows (down):

- **TempGSTotal**—Total Temporary Differences (GAAP to Stat)—The parent of base accounts that are user-defined upon implementation.
- **TempSTTotal**—Total Temporary Differences (STAT to Tax)—The parent of base accounts that are user-defined upon implementation.
- **RTempTotal**—Regional Temporary Differences—The parent of a base account that is user-defined upon implementation.
- **REquityTempTotal**—Total Equity Temporary Differences—The parent of base accounts that are equity in nature and are user-defined upon implementation.
- **RTaxLossesTotal**—Regional Tax Losses Total—The parent of a base account that is user-defined upon implementation.
- **RTaxCreditTotal**—Regional Total Tax Credits—The parent of system-provided base accounts that are used for Tax Credits that are deferred.
- **RTaxAttribTotal**—Regional Tax Attributes—The parent of a base account that is user-defined upon implementation.
- **RVATotal**—Regional Valuation Allowance—The parent of a base account that is user-defined upon implementation.

Deferred Tax Regional

The Deferred Tax form is used to view the deferred tax calculation.

The form contains the following members in the columns (across):

- **Opening**—Opening Balance—The tax effect of the prior year end temporary differences.
- **PYAdj**—Prior Year Adjustment (Restatement)—The tax effect of Prior year adjustments.
- **OpeningAdjusted**—Opening Balance as Adjusted—The sum of OpeningTotal + PYAdjTotal.
- **CYSys**—Current Year System—The tax effect of the current year book-tax difference automated in the current provision.
- **CYSysReversal**—Current Period System Reversal—The tax effect of the reversal of the current year book-tax difference automated in the current provision.
- **CYSysTotal**—Automated Total—The sum of CYSys and CYSysReversal.
- **CYAdj**—Current Period Adjustment—The tax effect of the current year book-tax difference input in the current provision.
- **CYAdjReversal**—Current Period Adjustment Reversal—The tax effect of the reversal of the current year book-tax difference manually input in the current provision.
- **CYAdjTotal**—Adjustment Total—The sum of CYAdj and CYAdjReversal.
- **CY**—Total—The sum of CYSysTotal and CYAdjTotal.
- **RTADO**—Return to Accrual—The tax effect of the adjustments to temporary differences based on the Return to Accrual form.

- **AuditDO**—Audit Settlements—The tax effect of the adjustment to temporary differences resulting from audit settlements.
- **OtherSys** —Other Adjustments—Automated—The tax effect of the adjustments to temporary differences resulting from any other type of adjustment automated in Tax Provision.
- **OtherDO**—Other Adjustments—The tax effect of the adjustment to temporary differences resulting from any other type of adjustment.
- **TransfersDO**—Transfers—The tax effect of the adjustment to temporary differences resulting from transfers of assets/liabilities and the related temporary difference.
- **PYAAdjDO**—Prior Year Adjustments—The tax effect of the adjustment to temporary differences resulting from prior year adjustments.
- **ContingencyDO**—Contingency—The tax effect of the adjustment to temporary differences resulting from tax contingencies related to temporary differences.
- **TempDiffCyTotal**—Temporary Differences P&L Total—The total of CY, RTADO, AuditDO, OtherDO, TransfersDO, PYAAdjDO, and ContingencyDO.
- **RCOpen**—Impact from Change in Tax Rates—Opening—The tax effect of tax rate changes as it relates to the beginning balance.
- **RCCY**—Impact from Change in Tax Rates—Opening—The tax effect of tax rate changes as it relates to current year activity.
- **RCAcqNP**—Impact from Change in Tax Rates—Acquisitions—The tax effect of tax rate changes as it relates to acquisitions.
- **RCTotal**—Impact from Change in Tax Rates—The sum of RCOpen, RCCY and RCAcqNP.
- **CYTotal**—Total Deferred Tax Expense—The sum of CY, RTADO, AuditDO, OtherDO, TransfersDO, PYAAdjDO, ContingencyDO, and RCTotal.
- **AcqNP**—Acquisitions—The tax effect of the adjustment to temporary differences resulting from the acquisition of assets/liabilities and the related temporary difference.
- **RCAcqReversal**—Impact from Change in Tax Rates—Acquisitions—Reversal—The tax effect of the adjustment to rate. It is the reversal of the amount in RCAcqNP.
- **DisposalsNP**—Disposals—The tax effect of the adjustment to temporary differences resulting from the disposals of assets/liabilities and the related temporary difference.
- **EquitySysNPDT**—Equity Automated—The tax effect of the adjustment to temporary differences resulting from equity transactions.
- **EquityAdjNPDT**—Equity Adjustment—The tax effect of the adjustment to temporary differences resulting from equity transactions.
- **EquityNP**—Total Equity—EquitySysNP—The total of EquitySysNP and EquityAdjNP.
- **EquityRTANP**—Equity Prior Year—The tax effect of the adjustment to temporary differences resulting from equity transactions and return filing.
- **EquityOtherNP**—Equity Other—The adjustment to temporary differences resulting from all other equity transactions. This amount is manually input and does not impact the deferred tax expense.

- **RCEquityTotal**—Impact from Change in Tax Rates in Equity—The tax effect of tax rate changes for accounts identified as equity.
- **EquityNPTotal**—Total Equity Adjustments—The total adjustment to temporary differences resulting equity transactions. This is the sum of EquityNP, EquityRTA and EquityOtherNP.
- **NPTotal**—Total Non Provision—The sum of AcqNP, RCAcqReversal, DisposalsNP, and EquityNPTotal.
- **Closing**—Closing Balance—The sum of OpeningAdjusted, CYTotal and NPTotal.

The form contains the following members in the rows (down):

- **TempGSTotal**—Total Temporary Differences (GAAP to Stat)—These accounts are user-defined upon implementation.
- **TempSTTotal**—Total Temporary Differences (Stat to Tax)—These accounts are user-defined upon implementation.
- **REquityTempTotal**—Total Equity Temporary Differences—The parent of base accounts that are equity in nature and are user-defined upon implementation.
- **RTempTotal**—Regional Temporary Differences—The parent of a base account that is user-defined upon implementation.
- **RTaxLossesTotal**—Regional Tax Losses Total—The parent of a base account that is user-defined upon implementation.
- **RTaxCreditTotal**—Regional Total Tax Credits—The parent of system-provided base accounts that are used for Tax Credits that are deferred.
- **RTaxAttribTotal**—Regional Tax Attributes—The parent of a base account that is user-defined upon implementation.
- **RVATotal**—Regional Valuation Allowance—The parent of a base account that is user-defined upon implementation.

The form also provides the classification of deferred tax assets and liabilities as follows:

- Closing—Current Asset
- Closing—Current Liability
- Closing—Non-current Asset
- Closing—Non-current Liability

The Current or Non-Current setting, together with the value of the Closing—Total Closing Balance, defines in which column the amount is displayed. If this balance is positive, the amount is classified as an Asset. If this balance is negative, the amount is classified as a Liability. Valuation allowance is classified using a factor of -1 (for example, Closing *-1).

Statutory Effective Tax Rate (ETR) Regional

Tax Provision calculates the regional Effective Tax Rate (ETR) reconciliation automatically at the statutory rates. The Statutory Rate Reconciliation form captures the following items on a pretax and tax-effected basis:

- Net Income Before Tax Adjusted
- GAAP to STAT permanent differences
- STAT to TAX permanent differences
- Regional and additional taxes
- Special deductions
- Change in valuation allowance
- Additional provision items
- Effective tax rate

The statutory tax rate is the product of the current year statutory tax rate times the current year apportionment rate.

Jurisdictional Netting

Tax Provision provides the ability to calculate the adjustments required under various accounting standards with respect to Jurisdictional Netting of deferred tax assets and deferred tax liabilities. The administrator sets up an alternate entity hierarchy containing base entities that require Jurisdictional Netting. The application nets asset and liabilities at the parent level versus the entity level. You can compare the Jurisdiction Netted amounts versus the entity level to determine the consolidating adjustment required. The adjustment can be booked in accordance with your accounting policy.

Return to Accrual Regional

Tax Provision provides the ability to true-up the prior-year provision amounts. The tax provision is automatically populated in the form. The return data can be manually input or loaded in the application.

The application allows for multiple years to be analyzed and true-ups posted in the current period. Any data changes to the input schedule initiate automatic calculations to determine the Return to Accrual adjustments required in the current period provision for income taxes (for example, current provision, deferred provision, and so on). The amounts computed flow to the current provision as additional provision items, and into the Temporary Difference form, where the system default assumes all Return to Accrual adjustments impact deferred tax expenses only. Note that the system processes the Return to Accrual in period 13 or P13.

The Return to Accrual may be computed and booked during different quarters depending on the entity. For example, during a calendar year, Canadian entities may book the adjustment in

Q3, while U.S. entities may book it in Q4. Therefore, the system is set up to compute a Return To Accrual difference only when a user populates the data, sets the period and year for booking, and calculates the form.

The form contains the following RollForward members (across):

- **CYSys**—Provision System—The automated amounts from the provision for the year specified in the POV.
- **CYAdj**—Provision Adjustment—The manually input amounts from the provision for the year specified in the POV.
- **CY**—Total Provision—The sum of CYSys and CYAdj.
- **CYSys**—Return System—The automated amounts from the return for the year specified in the POV.
- **CYAdj**—Return Adjustment—The manually input amounts from the return for the year specified in the POV.
- **CY**—Total Return—The sum of CYSys and CYAdj.
- **CY**—Return-to-Accrual Differences—The difference between the Total Provision and Total Return

When calculated, the amount flowing to the current provision is the amount in the account CurrentTaxReturn/Current Tax per Return. Differences for temporary differences flow automatically when calculated to the column in the temporary difference rollforward—RTADO—Return to Accrual.

5 Journal Entry and Tax Footnote Process

In This Chapter

Journal Entry....59
Tax Footnote....60
Tax Account Navigation....64

Journal Entry

Tax Provision provides a MS Excel worksheet template for the preparation of the tax journal entry. The journal entry is created in Smart View, the Excel add-in for the Tax Provision application. For more information, see the *Oracle Smart View for Office User's Guide*.

Generally, you use one of these methods to record taxes:

- Cumulative year-to-date (default method in worksheet)
- Change in year-to-date (for example, month/quarter)

When using cumulative year-to-date, you reverse tax entries the first day following the month/quarter end close. Therefore, the ending balances in the general ledger are the same as the beginning balance throughout the year. Consequently, you see the same opening balance as closing balance and this is not an error. This allows you to rebook the full YTD provision each month/quarter end close.

The following section shows a sample pro forma journal entry:

LE101 - Atlanta
Journal Entry
For the period ending December 2012

Book this Column
DR/(CR)

Account	Account Description	Total Current and Deferred Provision and Non Provision	Total Adjustments	Total Journal Entry
90001	Current Tax Expense - National	$ 222,004	$ -	$ 222,004
90002	Deferred Tax Expense - National	$ (154,799)	$ -	$ (154,799)
90003	Current Tax Expense - Regional	$ 16,175	$ -	$ 16,175
90004	Deferred Tax Expense - Regional	$ 26,498	$ -	$ 26,498
10140	Deferred Income Tax Asset - Current - National	$ 124,830	$ (1,000)	$ 123,830
10150	Deferred Income Tax Asset - Current - Regional	$ (13,824)	$ -	$ (13,824)
10145	Valuation Allowance Current - National	$ (7,148)	$ (179)	$ (7,327)
10155	Valuation Allowance Current - Regional	$ (536)	$ -	$ (536)
10405	Deferred Income Tax Asset - NonCurrent - National	$ 68,397	$ (347)	$ 68,050
10408	Deferred Income Tax Asset - NonCurrent - Regional	$ (3,247)	$ (155)	$ (3,402)
10406	Valuation Allowance NonCurrent - National	$ (36,058)	$ 179	$ (35,879)
10409	Valuation Allowance NonCurrent - Regional	$ 101	$ -	$ 101
20200	Current Tax Payable - National	$ (222,004)	$ -	$ (222,004)
20210	Current Tax Payable - Regional	$ (16,175)	$ -	$ (16,175)
20220	Deferred Income Tax Liability - Current - National	$ (7,213)	$ 1,000	$ (6,213)
20230	Deferred Income Tax Liability - Current - Regional	$ -	$ -	$ -
20310	Deferred Income Tax Liability - NonCurrent - National	$ (26,268)	$ 347	$ (25,921)
20320	Deferred Income Tax Liability - NonCurrent - Regional	$ (3,346)	$ 155	$ (3,191)
30020	Equity Other - National	$ 38,259	$ -	$ 38,259
30030	Equity Other - Regional	$ (5,646)	$ -	$ (5,646)
	Total	$ (0)	$ (0)	$ -

Tax Footnote

The tax footnote is created in Smart View, the Excel add-in for the Tax Provision application. For more information, see the *Oracle Smart View for Office User's Guide*.

The following section shows a sample pro forma tax footnote:

19. INCOME TAXES

The Income (loss) before provision (benefit) for income taxes includes the following components (in thousands):

	Years Ended December 31,	
	2012	2011
Domestic	$ 2,449	$ -
Foreign	$ 8,045	$ -
Total income before provision for income taxes	$ 10,494	$ -

Significant components of the income tax provision (benefit) are as follows (in thousands):

	Years Ended December 31,	
	2012	2011
Domestic	$ 871	$ -
State, Provincial and local	$ 219	$ -
Foreign	$ 2,577	$ -
Total current (benefit) provision for income taxes	$ 3,668	$ -
Domestic	$ (302)	$ -
State, provincial and local	$ 81	$ -
Foreign	$ (231)	$ -
Total deferred (benefit) provision for income taxes	$ (452)	$ -
Total provision for income taxes	$ 3,216	$ -

The temporary differences that give rise to significant portions of the deferred income tax provision (benefit) are as follows (in thousands):

	Years Ended December 31, 2012	Years Ended December 31, 2011
Depreciation	$ (84)	$ -
Bad Debts	$ 73	$ -
Stock Compensation	$ 2	$ -
Credits &NOLs	$ (496)	$ -
Other	$ (118)	$ -
Valuation Allowance	$ 172	$ -
Total deferred (benefit) provision for income taxes	$ (452)	$ -

The reconciliation of income tax provision (benefit) computed at the U.S. federal statutory tax rate to the Company's effective income tax provision (benefit) is as follows (in thousands):

	Years Ended December 31, 2012	Years Ended December 31, 2011
US tax at statutory rate	$ 3,673	$ -
State income taxes, net of federal tax benefit	$ 257	$ -
Change in valuation allowance, net of related adjustments	$ 172	$ -
Return true-up	$ (40)	$ -
Foreign rate differential	$ (608)	$ -
Permanent differences	$ 309	$ -
Audit adjustments	$ (25)	$ -
Tax rate changes	$ (22)	$ -
Change in uncertain tax positions	$ 10	$ -
Deferred tax adjustments	$ (520)	$ -
Other	$ 11	$ -
Total provision for income taxes	$ 3,216	$ -

The reconciliation of income tax provision (benefit) computed at the U.S. federal statutory tax rate to the Company's effective income tax provision (benefit) is as follows (in thousands):

	Years Ended December 31,	
	2012	2011
US tax at statutory rate	$ 3,673	$ -
State income taxes, net of federal tax benefit	$ 257	$ -
Change in valuation allowance, net of related adjustments	$ 172	$ -
Return true-up	$ (40)	$ -
Foreign rate differential	$ (608)	$ -
Permanent differences	$ 309	$ -
Audit adjustments	$ (25)	$ -
Tax rate changes	$ (22)	$ -
Change in uncertain tax positions	$ 10	$ -
Deferred tax adjustments	$ (520)	$ -
Other	$ 11	$ -
Total provision for income taxes	$ 3,216	$ -

Deferred income taxes reflect...

The Company has been granted tax holidays...

The temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2012 and 2011, respectively, are presented below (in thousands):

	Years Ended December 31, 2012	Years Ended December 31, 2011
Deferred tax assets:		
Accrued expenses	$ -	$ -
Net operating loss and tax credit carryforwards	$ 666	-
Depreciation and amortization	$ 90	-
Other	$ 132	-
Valuation allowance	$ (195)	-
	694	-
Deferred tax liabilities:		
Bad debts	$ (82)	-
Stock compensation	$ (9)	-
Other	$ -	-
	$ (90)	-
Net deferred tax assets	$ 604	$ -

	Years Ended December 31, 2012	Years Ended December 31, 2011
Classified as follows:		
Prepaid expenses and other current assets (Note 5)	$ -	$ -
Deferred charges and other assets (Note 8)	$ 694	$ -
Other accrued expenses and current liabilities (Note 14)	$ (90)	$ -
Other long-term liabilities	$ -	$ -
Net deferred tax assets	$ 604	$ -

Tax Account Navigation

In the Tax Provision application, the data entry forms and financial reports are configured to have the valid Point of View (POV) for each Tax account. However, if additional analysis is needed, you can define customized grids for navigation. You can also define customized grids when using Oracle Smart View for Office to access the data.

Below is the POV information to access some of the common Tax account data in the Tax application:

Table 2 Tax Rates

Dimension	CY Tax Rate	Consolidated Tax Rate
Scenario	Actual*	Actual*
Year	2012*	2012*
Period	P12*	P12*
View	YTD	YTD

Dimension	CY Tax Rate	Consolidated Tax Rate
Entity	LE101	[None]
Value	<Entity Currency>	[None]
Account	TaxRateCY	TaxRateConsETR
ICP	[ICP None]	[ICP None]
RollForward	[None]	[None]
Jurisdiction	US **	[None]
ReportingStandard	[None]	[None]
DataCategory	[None]	[None]
TaxType	National ***	[None]

* Specify valid member for Scenario, Year, period, Entity as per the application

** Specify the valid Jurisdiction as per the Entity specified (per entity's Domicile)

*** Specify National or Regional TaxType

6 Tax Provision Custom Screens

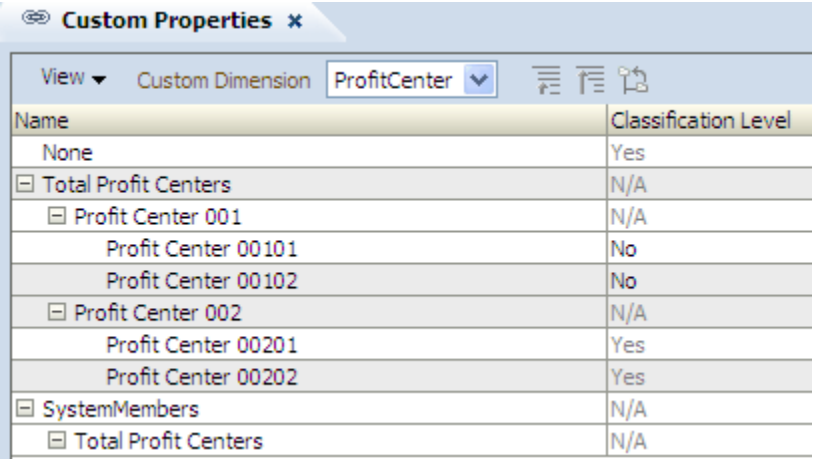
In This Chapter

Custom Properties 67
Entity Properties....68
Jurisdiction Properties 68
Permanent Account Properties 69
Temporary Account Properties 71
Net Operating Loss (NOL) Automation 72
Opening Balances by Scenario 72
Return to Accrual Automation 72
Tax Administration 73
Tax Account Rollforward (TAR) Automation....74
Tax Automation....74
Validations....75

Custom Properties

You can view the properties information in the Custom Properties screen.

Note: The Custom Properties screen only displays information if the tax application contains more than the required five dimensions.



Name	Classification Level
None	Yes
Total Profit Centers	N/A
Profit Center 001	N/A
Profit Center 00101	No
Profit Center 00102	No
Profit Center 002	N/A
Profit Center 00201	Yes
Profit Center 00202	Yes
SystemMembers	N/A
Total Profit Centers	N/A

The Custom Properties screen displays all of the applicable properties defined in metadata.

This screen is view-only. You must make any changes in the metadata file and then reload it into the application. You must recalculate data if there are property changes.

Entity Properties

You can view the properties information in the Entity Properties screen.

Entity Properties

View

Name	Allow Regional Deduction	Valuation Allowance Allocation	Domicile	Allow Jurisdictional Netting	Allow Jurisdictional Netting in Unitary Filing Group	Tax Account Groups for Data Entry	Tax Calc Enabled	Calculate FX Differences With Override Translation Rate
[None]	No	No					Yes	Yes
Eden Corporation				No	No		No	No
USA				No	No		No	No
Western USA				No	No		No	No
San Jose	Yes	No	US				Yes	Yes
LE104Parent				No	No	TaxPools, TaxCredits	Yes	No
LE104Div100	No	No	US				No	Yes
LE104Div200	No	No	US				No	Yes
Eastern USA				No	No		No	No
Atlanta	Yes	No	US				Yes	Yes
Stamford	Yes	No	US				Yes	Yes
Foreign Entities				No	No		No	No
United Kingdom				No	No		No	No
London	No	No	UK				Yes	Yes
Liverpool	No	No	UK				Yes	Yes
Leeds	No	No	UK				Yes	Yes
Canada				No	No		No	Yes
FLE204Parent				No	No	TaxCredits, NOL, TAF	Yes	No
FLE204	No	No	CA				No	Yes
FLE204_P1				No	No		No	No
FLE204_LP	No	No	CA				No	Yes
Montreal	No	No	CA				Yes	Yes
Toronto	No	No	CA				Yes	Yes

The Entity Properties screen displays all of the applicable properties defined in metadata. You can display the Entity Description (default), Entity Label, or both.

You can also rearrange the columns or suppress any of the columns.

This screen is view-only. You must make changes in the metadata file and reload the file into the application. You must recalculate data if there are property changes.

Jurisdiction Properties

You can view the properties information in the Jurisdiction Properties screen.

Return to Accrual National | Documents | Validations | Jurisdiction Properties

View | Detach

Name	Allow National Net Operating Losses Deductions	Allow National Special Deductions	Allow Unitary Filing
[None]	No	No	No
AllNational			
CA	No	No	No
CH	No	No	No
DE	No	No	No
FR	No	No	No
UK	No	No	No
US	No	No	No
AllRegional			
CA_Regions			
US_Regions			
US_Blended	No	No	No
US_AK	No	No	No
US_AL	No	No	Yes
US_AS	No	No	No
US_AR	No	No	No
US_AZ	No	No	No
US_CA	No	No	No
US_CO	No	No	No
US_CT	No	No	No
US_DC	No	No	No
US_DE	No	No	No
US_FL	No	No	No
US_GA	No	No	No
US_GU	No	No	No
US_HI	No	No	No
US_ID	No	No	No
US_IL	No	No	No
US_IN	No	No	No
US_IA	No	No	No

The Jurisdiction Properties screen automatically displays all Jurisdiction members in the AllRegional hierarchies.

For each Jurisdiction member in the row, the system displays all applicable properties defined in metadata. You can choose to display the Jurisdiction Description (default), Jurisdiction Label, or both.

You can also rearrange the columns or suppress any of the columns.

This screen is view-only. You must make changes in the metadata file and reload the file into the application. You must recalculate data if there are property changes.

Permanent Account Properties

You can view the properties information in the Permanent Account Properties screen.

Perm Account Properties

View

Name	Pre-Tax, Tax Effected, or Apportioned	Jurisdiction	Equity Perm Reversal - National	Equity Perm Reversal - Regional	Group for Data Entry	Override Rate	Rate Difference Account
Net Income Before Tax							
NIBT	Pre-Tax	National and Regiona				NIBTOverrideRate	FXAdjPerm
Book Adjustments to NIBT							
Book Adjustment 1	Pre-Tax	National and Regiona					
Book Adjustment 2	Pre-Tax	National and Regiona					
Book Adjustment 3	Pre-Tax	National and Regiona					
NIBT Total Book Reclass							
Book Reclassification 1	Pre-Tax	National and Regiona					
Book Reclassification 2	Pre-Tax	National and Regiona					
Book Reclassification 3	Pre-Tax	National and Regiona					
Permanent Differences (GAAP to Stat)							
Perm 1 - XXXXX	Pre-Tax	National and Regiona					
Perm 2 - XXXXX	Pre-Tax	National and Regiona					
Perm 3 - XXXXX	Pre-Tax	National and Regiona					
Permanent Differences (Stat to Tax)							
Meals & Entertainment	Pre-Tax	National and Regiona					
Fines & Penalties	Pre-Tax	National and Regiona					
Non-deductible Insurance	Pre-Tax	National and Regiona					
NIBT Translation Adjustment	Pre-Tax	National and Regiona					
Total Permanent Differences (Regional)							
Regional Perm 0001	Pre-Tax	Regional					
Regional Perm 0002	Pre-Tax	Regional					
Additional Current Provision - Source							
Current Tax Contingency	Tax	National					

The Permanent Accounts Properties screen automatically displays the following base members for these parent accounts:

- NIBTBA
- NIBTBR
- PermSTTotal
- PermGSTotal
- RPermTotal
- TaxCreditTotal
- TaxAttribTotal
- CurrentAddtlSrcTotal
- CurrentAddtlManualTotal
- CurrentAddtlCalcTotal
- RTaxCreditTotal
- RTaxAttribTotal

For each account in row, the system displays all applicable properties defined in the metadata. You can display the Account Description (default), Account Label, or both.

You can also rearrange the columns or suppress any of the columns.

This screen is view-only. You must make any changes in the metadata file and reload the file into the application. You must recalculate data if there are property changes.

Temporary Account Properties

You can view the properties information in the Temporary Account Properties screen.

Temp Account Properties

View

Name	Pre-Tax, Tax Effected, or Apportioned	Jurisdiction	National Benefit of Regional Tax	Classification Level	Classification Sign	Classification	Equity Temp Reversal - National	Equity Temp Reversal - Regional	Tax Rate Change in Equity	Group for Data Entry
Total Temporary Differences				N/A						
Total Temporary Differences (GAAP to Stat)				N/A						
Temp 1 - XXXX	Pre-Tax	National and Regiona	Yes	Yes	Positive	Current				
Temp 2 - XXXX	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Temp 3 - XXXX	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Total Temporary Differences (Stat to Tax)				N/A						
Total PPE	Pre-Tax	National and Regiona		N/A						
PPE	Pre-Tax	National and Regiona	Yes	No	N/A	N/A				
UCC	Pre-Tax	National and Regiona	Yes	No	N/A	N/A				TaxPools
MACRS	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				TaxPools
ARO	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Finance Cost	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Stock Compensation	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current	CurrentAddtlCalcSFA	RCurrentAddtlCalcSF		
Equity/OCI	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Intangible	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
FAPI	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Pension	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Temp ST1	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Temp ST2	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Total Equity Temporary Differences				N/A						
Equity Temp Available for Sales Security	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Equity Temp Cash Flow Hedges	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				
Equity Temp Share Based Payments	Pre-Tax	National and Regiona	Yes	Yes	Positive	Non-Current				

The Temporary Accounts Properties screen automatically displays the following base members for these parent accounts:

- Total Temporary Differences
- TaxCreditTotal
- TaxAttribTotal
- RTempTotal
- RTaxCreditTotal
- RTaxAttribTotal
- VATotal
- VAAllocTotal
- RVATotal
- TaxLossesTotal
- RTaxLossesTotal

For each account in row, the system displays all applicable properties defined in metadata. You can choose to display the Account Description (default), Account Label, or both.

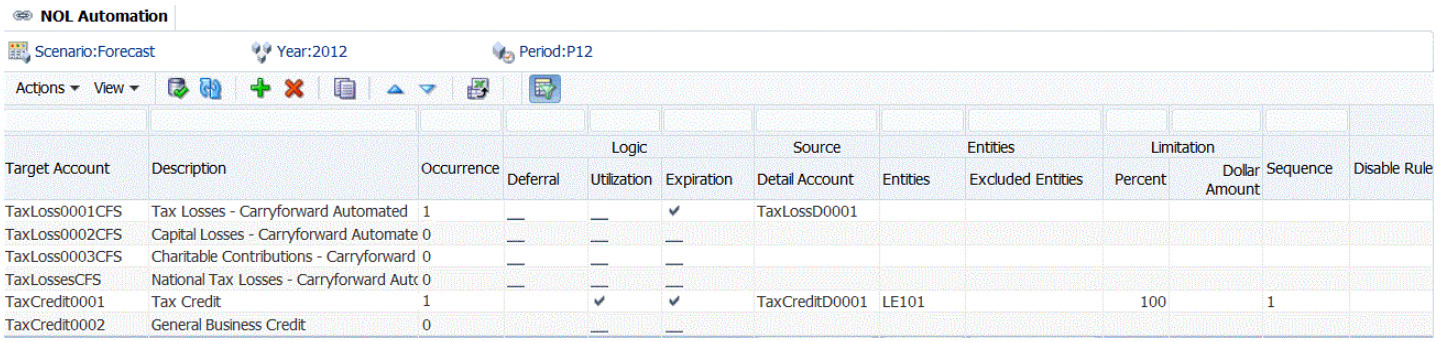
You can also rearrange the columns or suppress any of the columns.

This screen is view-only. You must make any changes in the metadata file and reload the file into the application. You must recalculate data if there are property changes.

Net Operating Loss (NOL) Automation

The Net Operating Loss (NOL) Automation screen enables you to configure the rules defining how the system should automatically defer, utilize, or expire tax losses and book the corresponding offset amounts.

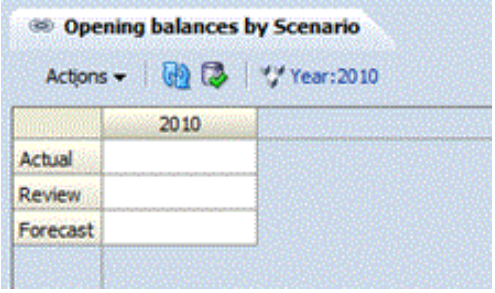
To define Net Operating Loss rules, you must have Administrator or Power User security rights.



			Logic			Source	Entities		Limitation			
Target Account	Description	Occurrence	Deferral	Utilization	Expiration	Detail Account	Entities	Excluded Entities	Percent	Dollar Amount	Sequence	Disable Rule
TaxLoss0001CFS	Tax Losses - Carryforward Automated	1			✔	TaxLossD0001						
TaxLoss0002CFS	Capital Losses - Carryforward Automate	0										
TaxLoss0003CFS	Charitable Contributions - Carryforward	0										
TaxLossesCFS	National Tax Losses - Carryforward Aut	0										
TaxCredit0001	Tax Credit	1		✔	✔	TaxCreditD0001	LE101		100		1	
TaxCredit0002	General Business Credit	0										

Opening Balances by Scenario

The Opening Balances by Scenario screen enables you to view the settings that specify how opening balances are populated within the application. For example, you could copy the closing balances from the Actual scenario to the opening balances of the Forecast scenario.



You can also rearrange the columns or suppress any of the columns. The Application Administrator manages setting the opening balances in specific scenarios using the Opening Balances by Scenario screen. For users, this screen is view-only.

Return to Accrual Automation

The Return to Accrual Automation screen enables administrators to define rules for copying RTA adjustments. You can enter the source and destination Scenario and ReportingStandard members for copying RTA balances.

For procedures on copying Return to Accrual adjustments, see the *Oracle Hyperion Tax Provision Administrator's Guide*.

RTA Automation

Year: 2012

Actions

	Target		Source		Disable
	Scenario	Reporting Standard	Scenario	Reporting Standard	Rule
1	Forecast	US_GAAP	Actual	IFRSUnderlying	
2	Forecast	IFRSUnderlying	Actual	IFRSUnderlying	

Tax Administration

You can manage the rollover process using the Tax Administration Screen, which provides a central place to run the OnDemand rules for the rollover tasks and tax automation. The process for running the rules is the same as it is when you run them from data forms, however the Tax Administration screen enables you to run all the rules from a central place.

Tax Administration

Scenario:Actual Year:2015 Period:P01

Actions View

Rule	Run for all entities	Run for selected entities	Last run at
Copy tax rates			
Copy origination year			
Copy expiration year			
Copy tax automation rules			
Copy TAR automation rules			
Copy periodic data			
Copy tax risk provision			
Run tax automation			
Run tax automation with trace			

The list of tasks in the Tax Administration screen is preset; you cannot add any rows or columns.

You can run a rule for all entities in the system, or you can select entities that you want to run.

After you run a rule in the Tax Administration screen, the system displays the status, and the time and date that it was run. If you want to save this information, you can export the table to a Microsoft Excel spreadsheet.

For information on using the Tax Administration Screen, see the *Oracle Hyperion Tax Provision Administrator's Guide*.

Tax Account Rollforward (TAR) Automation

If you add new DataCategory columns in a Tax Account Rollforward data form, you can use the TAR Automation screen to map data directly to the new columns. You can also copy TAR Automation rules from the prior period to the current period.

The Application Administrator manages the Tax Account Rollforward process. For users, this screen is view-only.

TAR Automation

Scenario:Actual Year:2012 Period:P12

Actions Column Current Expense

	Source Accounts - National	Source Accounts - Regional	Excluded Accounts
Ending Balance (as per Book)	90001	90003	
Opening Balance			
Opening Balance - Prior Year Adjustment			
Opening Balance - Net Benefit of Region			
Payments CY			
Payments PY			
Refunds CY			
Refunds PY			
Valuation Allowance - Current			
Valuation Allowance - Non Current			
Valuation Allowance - Credits			
Valuation Allowance - Tax Losses			
Valuation Allowance - Current (automate			
Valuation Allowance - Non Current (auto			
Current Provision - National	CurrentTaxTI		
Tax Credits - National	TotalTaxCredits		
Current Provision - Regional		RCurrentTaxTI	
Tax Credits - Regional		RTaxCredits	

Tax Automation

Tax Automation is a key process to provide data for the core tax calculation. It represents the links between the Book data and the Tax data. After Trial Balance data is loaded into the application, the Application Administrator defines and runs the Tax Automation process to link tax-sensitive Book data to Tax accounts.

Documents | Tax Automation ×

Scenario:Actual Year:2012 Period:P12

Actions ▾ View ▾ Mode: Overwrite

Target Account	Description	Occurrence	Logic	Percent	Source		Target	
					Accounts	RollForward	Jurisdiction	RollForward
PermST0001	Meals & Entertainment	1	Pull	50	50034			
PermST0001	Meals & Entertainment	2	Pull	35	50034			
PermST0002	Fines & Penalties	1	Pull	100	FinesAndPenalties	AdditionalMembers		
PermST0003	Non-deductible Insurance	0						
TempST0001a	Tax Depreciation	0						
TempST0001b	Book Depreciation	1	Pull	100	70003			
TempST0002	Bad Debt Expense	1	Movement	-100	10115			
TempST0003	Miscellaneous Accrual	1	Squeeze	100	BSATotalMiscAccru...	BookTaxDiffClosing		
TempStockComp	Stock Compensation	0						
TempST0005	Rate Change equity	0						
TempST0006	Intangible - BVT1	1	Squeeze	100	IntangiblesTotal	closingbvt		
TempST0007	PPE - BVT2	1	Pull	100	PPESummary	PPEDepreciation		
TempST0008	Pension - BVT3	1	Pull	100	PensionTotal	EquityNPSysBVT		
TaxSpecialDeduc	Special Deductions	0						
TaxLoss0001CFS	Tax Losses - Carry forward Automated	0						
TaxLoss0002CFS	Capital Losses - Carry forward Automated	0						
TaxLoss0003CFS	Charitable Contributions - Carry forward Aut...	0						
TaxLossesCFS	National Tax Losses - Carry Forward Automa...	0						
TaxCredit0001	Foreign Tax Credit	0						
TaxCredit0002	General Business Credit	0						
TaxCredit0003	Jobs Credit	0						
CurrentAddtlSrc0	Current Tax Contingency	1	Pull	100	TaxRiskProvisionC...	CYMovementTRP		
CurrentAddtlSrc0	Additional 2	0						
CurrentAddtlSrc0	Additional 3	0						
TaxAttrib0001	Deferred Tax Contingency	1	Pull	-100	TaxRiskProvisionD...	CYMovementTRP		OtherSys
TaxAttrib0002	National Tax Attribute 2	0						

The Application Administrator manages the Tax Automation process using the Tax Automation Screen. For users, this screen is view-only.

Validations

The Validations screen enables you to manually perform the metadata validation process. After the process is complete, if any metadata is invalid, the system displays warning or error messages with explanations.

Return to Accrual National | Documents | Validations

View

Dimension	Member	Error
Account	TempST0001 - Total Depreciation	The top DataCategory member for this account should be PreTaxNationalRegionalCurrent or PreTaxRegionalCurrent
Account	TempST0002 - Bad Debt Expense	The top DataCategory member for this account should be PreTaxNationalRegionalCurrent or PreTaxRegionalCurrent
Account	TempStockComp - Stock Compensation (SFAS 12...	The top DataCategory member for this account should be PreTaxNationalRegionalCurrent or PreTaxRegionalCurrent
Account	TempST0001 - Total Depreciation	The top DataCategory member for this account should be PreTaxNationalRegionalCurrent or PreTaxRegionalCurrent
Account	TempST0002 - Bad Debt Expense	The top DataCategory member for this account should be PreTaxNationalRegionalCurrent or PreTaxRegionalCurrent
Account	TempStockComp - Stock Compensation (SFAS 12...	The top DataCategory member for this account should be PreTaxNationalRegionalCurrent or PreTaxRegionalCurrent
Account	CurrentAddtlSrc001 - Additional 1	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlSrc002 - Additional 2	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlSrc003 - Additional 3	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlManual001 - Audit Adjustments - Cu...	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlManual002 - Texas Margin Tax	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlManual003 - FIN48 Charge	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlCalcRTA - Return-to-Accrual Current...	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlCalcSFAS123RRTA - SFAS123R Curre...	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentAddtlCalcSFAS123RProv - SFAS123R Curr...	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	CurrentFXADJ - Reporting Currency Adjustments	Invaid DataCategory top member. Currently: TaxNationalExpPay
Account	VACurrent - Valuation Allowance - Current	If ClassSign is defined, ClassLevel must also be defined
Account	VANonCurrent - Valuation Allowance - NonCurrent	If ClassSign is defined, ClassLevel must also be defined
Account	VACredits - Valuation Allowance - Credits	If ClassSign is defined, ClassLevel must also be defined
Account	VATaxLoss - Valuation Allowance - NOL	If ClassSign is defined, ClassLevel must also be defined
Account	VAAllocCurrent - Valuation Allowance - Current (a...	If ClassSign is defined, ClassLevel must also be defined
Account	VAAllocNonCurrent - Valuation Allowance - NonC...	If ClassSign is defined, ClassLevel must also be defined
Account	RVACurrent - Regional Valuation Allowance - Curr...	If ClassSign is defined, ClassLevel must also be defined
Account	RVANonCurrent - Regional Valuation Allowance -...	If ClassSign is defined, ClassLevel must also be defined
Account	RVACredits - Regional Valuation Allowance - Cred...	If ClassSign is defined, ClassLevel must also be defined
Account	RVATaxLoss - Regional Valuation Allowance - NOL	If ClassSign is defined, ClassLevel must also be defined
Account	RCurrentAddtlSrc001 - Additional 1 - XXXX	Invaid DataCategory top member. Currently: TaxRegionalExpPay
Account	RCurrentAddtlSrc002 - Additional 2 - XXXX	Invaid DataCategory top member. Currently: TaxRegionalExpPay
Account	RCurrentAddtlSrc003 - Additional 3 - XXXX	Invaid DataCategory top member. Currently: TaxRegionalExpPay
Account	RCurrentAddtlManual001 - Audit Settlements - C...	Invaid DataCategory top member. Currently: TaxRegionalExpPay
Account	RCurrentAddtlManual002 - FIN48 Charge	Invaid DataCategory top member. Currently: TaxRegionalExpPay
Account	RCurrentAddtlManual003 - Regional Tax Adjustm...	Invaid DataCategory top member. Currently: TaxRegionalExpPay

➤ To run the validation process:

1 Open the **Validations** screen.

2 From the toolbar, click **Run Validations**.

A Data Sources and Flows

In This Appendix

Current Provision 77
Tax Losses 78
Tax Credits 78
Temporary Differences 79
Deferred Tax 79
Deferred Tax for TAR 80
RTA 80
Statutory ETR 80
Consolidated ETR 81
Current Provision Regional 81
Tax Losses Regional 82
Tax Credits Regional 82
Temporary Differences Regional 82
Deferred Tax Regional 83
Deferred Tax for TAR Regional 83
RTA Regional 84
Statutory ETR Regional 84
Consolidated Effective Tax Rate Reconciliation 84
Tax Account Rollforward (TAR) 85
Tax Journal Entry 85
Tax Financial Statement Footnote Disclosure 85

This appendix provides a detailed summary of the data sources and flow in Oracle Hyperion Tax Provision.

Current Provision

Calculates the Current Provision for the national/federal income tax.

Sources of Data:

- Rules in Tax Automation

- RTA
- Equity Perm/Temp (with UD Property)
- Tax Losses/ Tax Credits (Utilization when linked)
- Current Provision Regional (when deductible for National provision)
- Tax Rates (Current Year Tax Rate)
- Manual Input

Flow of Data to:

- Temporary Differences (Automated and Adjustment column)
- Tax Losses (Deferral when linked)
- Current Provision Regional (when Regional tax and apportionment rates are input)
- Statutory Rate Reconciliation (all permanent items)
- Consolidated Rate Reconciliation (all permanent items)
- Total Tax Provision (Current Provision)
- RTA (last period – P12/Q4)

Tax Losses

Tracks the tax losses carried forward (for example, operating, capital) by year of origination and expiration.

Sources of Data:

- Ending Balance (from prior year)
- Manual Input
- Current Provision (Deferral when linked)

Flow of Data to:

- Current Provision (Utilization when linked)
- Temporary Differences (when linked)

Tax Credits

Tracks the tax credits carried forward (for example, foreign, business) by year of origination and expiration.

Sources of Data:

- Ending Balance (from prior year)
- Manual Input

- Current Provision (Utilization when linked)

Flow of Data to:

Temporary Differences (when linked)

Temporary Differences

Maintains the pre-tax inventory of items to be deferred and adjustments for income tax purposes (deductible from or includable in income in future years).

Sources of Data:

- Ending Balance (from prior year)
- Current Provision (Automated and Adjustment column)
- Rules in Tax Automation
- RTA (last period – P12/Q4)
- Equity Perm/Temp UD Property
- Tax Losses/Tax Credits (when linked)
- Deferred Tax Regional (when deductible)
- Acquisitions

Flow of Data to:

- Deferred Tax (on a tax effected basis)
- Temporary Differences Regional (when Regional tax and apportionment rates are input)
- Tax Basis Balance Sheet

Deferred Tax

Maintains the tax-effected inventory of items to be deferred and adjustments for income tax purposes (deductible from or includable in income in future years).

Sources of Data:

- Temporary Difference (on a tax effected basis)
- Acquisitions
- Tax Rates (Standard/Override Tax Rates)
- Deferred Tax Regional (when deductible for National provision)
- Impact of Tax Rate Changes (Tax Provision Calculations)

Flow of Data to:

- Deferred Tax for TAR
- Deferred Tax for TAR - Reclass
- Valuation Allowance Allocation
- Valuation Allowance Allocation - VA
- Statutory Rate Reconciliation (all deferred items impacting ETR)
- Consolidated Rate Reconciliation (all deferred items impacting ETR)
- Total Tax Provision (all deferred items impacting total tax provision)

Deferred Tax for TAR

Maintains the tax-effected inventory of items to be deferred and adjustments for income tax purposes (deductible from or includable in income in future years) by classification (current/non-current, asset/liability).

Sources of Data:

Deferred Tax

Flow of Data to:

TAR

RTA

Calculates the difference between the prior year provision and the tax return as filed.

Sources of Data:

- Current Provision (for example, P12/Q4)
- Compliance File Import/Manual Input of Return Data

Flow of Data to:

- Current Provision
- Temporary Differences

Statutory ETR

Calculates the National statutory ETR and total tax provision.

Sources of Data:

- Current Provision

- Deferred Tax
- Tax Rates (Current Year)

Flow of Data to:

N/A

Consolidated ETR

Calculates the National and Regional ETR and total tax provision.

Sources of Data:

- Current Provision
- Deferred Tax
- Current Provision Regional
- Deferred Tax Regional
- Consolidated Effective Tax Rate

Flow of Data to:

N/A

Current Provision Regional

Calculates the Current Provision Regional income tax.

Sources of Data:

- Rules in Tax Automation
- RTA Regional
- Equity Perm/Temp (with UD Property)
- Tax Losses/ Tax Credits Regional (Utilization when linked)
- Tax Rates (Current Year Tax Rate)
- Manual Input

Flow of Data to:

- Current Provision (when deductible)
- Temporary Differences Regional (Automated and Adjustment column)
- Tax Losses Regional (Deferral when linked)
- Statutory ETR Regional (all permanent items)
- Statutory ETR (when deductible)

- Consolidated ETR
- Total Tax Provision
- Total Tax Provision Regional (Current Provision)
- RTA Regional (last period – P12/Q4)

Tax Losses Regional

Tracks the regional tax losses (for example, operating, capital) by year of origination and expiration.

Sources of Data:

- Ending Balance (from prior year)
- Manual Input
- Current Provision Regional (Deferral when linked)

Flow of Data to:

- Current Provision Regional (Utilization when linked)
- Temporary Differences (Other Adjustments when linked)

Tax Credits Regional

Tracks the regional tax credits (for example, foreign, business) by year of origination and expiration.

Sources of Data:

- Ending Balance (from prior year)
- Manual Input

Flow of Data to:

- Current Provision Regional (Utilization when linked)
- Temporary Differences (when linked)

Temporary Differences Regional

Maintains the regional pre-tax inventory of items to be deferred and adjustments for income tax purposes (deductible from or includable in income in future years).

Sources of Data:

- Ending Balance (from prior year)

- Current Provision Regional (Automated and Adjustment column)
- Rules in Tax Automation
- RTA Regional (last period – P12/Q4)
- Equity Perm/Temp UD Property
- Tax Losses/ Tax Credits Regional (when linked)
- Acquisitions Regional

Flow of Data to:

Deferred Tax Regional (on a tax effected basis)

Deferred Tax Regional

Maintains the regional tax-effected inventory of items to be deferred and adjustments for income tax purposes (deductible from or includable in income in future years).

Sources of Data:

- Temporary Difference Regional (on a tax effected basis)
- Acquisitions
- Tax Rates (Standard)
- Impact of Tax Rate Changes (Tax Provision Calculations)

Flow of Data to:

- Deferred Tax for TAR Regional
- Deferred Tax for TAR Regional - Reclass
- Statutory ETR Regional (all deferred items impacting rate rec)
- Consolidated ETR (all deferred items impacting rate rec)
- Total Tax Provision Regional (all deferred items impacting total tax provision)

Deferred Tax for TAR Regional

Maintains the regional tax-effected inventory of items to be deferred and adjustments for income tax purposes (deductible from or includable in income in future years) by classification (current/ non-current, asset/liability.

Sources of Data:

Deferred Tax Regional

Flow of Data to:

TAR

RTA Regional

Calculates the difference between the prior year Regional provision and the Regional tax return as filed.

Sources of Data:

- Current Provision Regional (for example, P12/Q4)
- Compliance File Import/Manual Input of Return

Flow of Data to:

- Current Provision Regional
- Temporary Differences Regional

Statutory ETR Regional

Calculates the Regional Statutory ETR.

Sources of Data:

- Current Provision Regional
- Deferred Tax Regional
- Tax Rates (Current Year)

Flow of Data to:

N/A

Consolidated Effective Tax Rate Reconciliation

Calculates the National and Regional Effective Tax Rate and Total Tax Provision.

Sources of Data:

- Current Provision
- Current Provision Regional
- Deferred Tax
- Deferred Tax Regional
- Consolidated Effective Tax Rate

Flow of Data to:

N/A

Tax Account Rollforward (TAR)

Maintains the rollforward of tax related general ledger accounts including P&L, Deferred Tax, Current Provision Payable, and Equity.

Sources of Data:

- Ending Balance (from prior year)
- Manual Input (for example, Payments, Refunds, Adjustments)
- Current Provision
- Current Provision Regional
- Valuation Allowance Allocation or Valuation Allowance Allocation – VA (when used)
- Deferred Tax for TAR
- Deferred Tax for TAR Regional
- Deferred Tax for TAR - Reclass
- Deferred Tax for TAR – Reclass Regional

Flow of Data to:

Journal Entry

Tax Journal Entry

Sources of Data:

TAR

Flow of Data to:

Accounting/Consolidation Application

Tax Financial Statement Footnote Disclosure

Sources of Data:

- Current Provision
- Deferred Tax
- Current Provision Regional
- Deferred Tax Regional
- TAR

Flow of Data to:

Financial Statements