

(10) Income Taxes

The Company's income tax provision for the years ended December 31, 2014, 2013 and 2012 consists of the following (in thousands):

	Years Ended December 31		
	2014	2013	2012
Current:			
Federal	\$ 2,638	\$ 4,353	\$ 4,301
State	336	824	768
	2,974	5,177	5,069
Deferred:			
Federal	1,262	641	699
State	(30)	99	(89)
	1,232	740	610
Total income tax provision	\$ 4,206	\$ 5,917	\$ 5,679

At December 31, 2014, the Company had net operating loss carryforwards for federal income tax purposes of approximately \$710,000, which are available to offset future taxable income and expire during the federal tax year ending December 31, 2019. The future benefit of the federal net operating loss carryforwards will be limited to approximately \$300,000 per year in accordance with Section 382 of the Internal Revenue Code.

The approximate tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows (in thousands):

	December 31	
	2014	2013
Current deferred tax assets:		
Reserves	\$ 428	\$ 383
Inventory capitalization	264	244
Compensation programs	139	204
Retirement liability	35	33
Equity-based compensation	276	246
Total current deferred tax assets:	\$ 1,142	\$ 1,110
Long-term deferred tax assets/(liabilities):		
Excess of book over tax basis of fixed assets	\$ (3,471)	\$ (2,413)
Goodwill	(848)	(827)
Total long-term deferred tax liabilities	\$ (4,319)	\$ (3,240)
Net operating loss carryforwards	\$ 242	\$ 342
Deferred rent	36	46
Intangible assets	188	117
Compensation programs	265	411
Total long-term deferred tax assets	731	916
Net long-term deferred tax liabilities	\$ (3,588)	\$ (2,324)

The amounts recorded as deferred tax assets as of December 31, 2014, and 2013, represent the amount of tax benefits of existing deductible temporary differences or carryforwards that are more likely than not to be realized through the generation of sufficient future taxable income within the carryforward period. The Company has total deferred tax assets of \$1.8 million at December 31, 2014, that it believes are more likely than not to be realized in the carryforward period. Management reviews the recoverability of deferred tax assets during each reporting period.

The actual tax provision for the years presented differs from the "expected" tax provision for those years, computed by applying the U.S. federal corporate rate of 34.0% to income before income tax expense as follows: