

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

694,175 shares of common stock based on the achieved performance ranges from zero to three. As of December 31, 2013, there was \$2.2 million of total unrecognized expense related to PSUs, which is being amortized through December 2015.

(8) Retirement Plan

The Company has a 401(k) profit sharing plan which covers all of its employees. At its discretion, Comstock may match a certain percentage of the employees' contributions to the plan. Matching contributions to the plan were \$323,000, \$365,000 and \$702,000 for the years ended December 31, 2011, 2012 and 2013, respectively.

(9) Income Taxes

The following is an analysis of the consolidated income tax expense (benefit):

	<u>2011</u>	<u>2012</u> (In thousands)	<u>2013</u>
Current	\$ 28	\$ (162)	\$ 134
Deferred	<u>(14,652)</u>	<u>(50,472)</u>	<u>(56,291)</u>
	<u><u>\$ (14,624)</u></u>	<u><u>\$ (50,634)</u></u>	<u><u>\$ (56,157)</u></u>

Deferred income taxes are provided to reflect the future tax consequences or benefits of differences between the tax basis of assets and liabilities and their reported amounts in the financial statements using enacted tax rates. The difference between the Company's customary rate of 35% and the effective tax rate on income before income taxes is due to the following:

	<u>2011</u>	<u>2012</u> (In thousands)	<u>2013</u>
Tax benefit at statutory rate	\$ (16,834)	\$ (53,799)	\$ (57,008)
Tax effect of:			
Nondeductible compensation	2,753	2,545	1,545
State taxes, net of federal tax benefit	(741)	410	(799)
Other	<u>198</u>	<u>210</u>	<u>105</u>
Total	<u><u>\$ (14,624)</u></u>	<u><u>\$ (50,634)</u></u>	<u><u>\$ (56,157)</u></u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Statutory rate	35.0%	35.0%	35.0%
Tax effect of:			
Nondeductible compensation	(5.7)	(1.7)	(0.9)
State taxes, net of federal tax benefit	1.5	(0.3)	0.5
Other	<u>(0.4)</u>	<u>(0.1)</u>	<u>(0.1)</u>
Effective tax rate	<u><u>30.4%</u></u>	<u><u>32.9%</u></u>	<u><u>34.5%</u></u>