

Accounting for Income Taxes — Applying SFAS No. 109/FIN 48: A Whole New Ballgame



No other area in accounting is as far reaching, and requires knowledge of a vast number of topics in financial and tax accounting, as accounting for deferred taxes. Traditionally, understanding the complex provisions of FAS 109 typically fell on the shoulders of accountants in business and industry and their independent auditors. Now, with the FASB's issuance of FIN 48, it is essential that tax professionals, both in industry and public practice, become active participants in this process. In addition to applying this complex standard to many common differences between financial accounting and tax compliance, you must now identify uncertain tax positions and apply specific criteria to recognize, measure, and disclose these positions in the financial statements. You will gain a sound knowledge of the theory of deferred taxes and how this theory can be applied to practical situations. Many practical examples are included to illustrate the theory and the information is presented so you will be able to apply this theory to any other situation that you may encounter.

HOW YOU WILL BENEFIT

Upon completion of this course, participants will be able to:

- Apply the complex rules of SFAS 109 to new and challenging situations
- Apply the provisions of FIN 48 to uncertain tax positions
- Identify and properly classify deferred tax assets and deferred tax liabilities
- Complete a worksheet that provides documentation for the reporting and disclosure requirements and in the preparation of the required journal entries
- Properly account for operating loss carryforwards and tax credit carryforwards
- Compute the valuation allowance with consideration given to items that are allowed to reduce the need for an allowance
- Apply the reporting and disclosure requirements to many practical situations
- Utilize a five-step approach for more complex situations including intraperiod tax allocations

HIGHLIGHTS

- Basic theory for accounting for income taxes as a refresher
- Worksheet approach to document and calculate the various elements of accounting for income taxes
- Application of the worksheet approach to more advanced applications of SFAS 109 and FIN 48
- Temporary differences
- Principles of reporting and disclosures under SFAS 109
- Accounting for uncertainty in income taxes under FIN 48
- Business combinations and fair value issues
- Intraperiod tax allocation
- Regulated enterprises, leveraged leases and quasi-reorganizations

WHO WILL BENEFIT

- Accountants in industry and public practice who are involved in financial reporting

LEVEL

Intermediate

CPE CREDIT

Classroom: 8

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NASBA FIELD OF STUDY

Accounting: 8

PREREQUISITE

Experience in financial reporting

PRODUCT ORDERING INFORMATION

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(For self-study ordering information and recommended credit, visit www.cpa2biz.com/cpe)

Available in a 4-hour version.
See page AA-4.

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