

Technical Line

FASB – final guidance

FASB issues guidance requiring additional income tax disclosures

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What you need to know

- ▶ The FASB issued final guidance requiring entities to provide additional information in the rate reconciliation and additional disclosures about income taxes paid.
- ▶ The guidance requires public business entities to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold.
- ▶ The guidance requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold.
- ▶ For public business entities, the guidance is effective for annual periods beginning after 15 December 2024. For other entities, it is effective for annual periods beginning a year later. All entities should apply the guidance prospectively but have the option to apply it retrospectively. Early adoption is permitted.

Overview

The Financial Accounting Standards Board (FASB or Board) amended¹ Accounting Standards Codification (ASC) 740, *Income Taxes*, to enhance the transparency and decision-usefulness of income tax disclosures, particularly in the rate reconciliation table and disclosures about income taxes paid.

The amendments are intended to address investors' requests for income tax disclosures that provide more information to help them better understand an entity's exposure to potential changes in tax laws and the ensuing risks and opportunities and to assess income tax information that affects cash flow forecasts and capital allocation decisions.

The guidance also eliminates certain existing requirements related to uncertain tax positions and unrecognized deferred tax liabilities and replaces the term "public entity" with "public business entity" (PBE) in ASC 740.

How we see it

Under the amended guidance, entities will have to provide more disclosures than they do today for the rate reconciliation and income taxes paid. Entities should evaluate whether they need to modify their processes and controls or create new ones to collect the information needed to provide the new disclosures.

Key considerations

Rate reconciliation for PBEs

The guidance requires PBEs to disclose in their rate reconciliation, on an annual basis, both percentages and amounts in their reporting currency for certain categories in a tabular format, with accompanying qualitative disclosures. ASC 740-10-50-12A(a) requires disclosure of the following categories:

- ▶ State and local income tax, net of federal (national) income tax effect
- ▶ Foreign tax effects
- ▶ Effect of changes in tax laws or rates enacted in the current period
- ▶ Effect of cross-border tax laws
- ▶ Tax credits
- ▶ Changes in valuation allowances
- ▶ Nontaxable or nondeductible items
- ▶ Changes in unrecognized tax benefits

The Board decided to provide these categories to help investors better assess risks and opportunities related to effective tax rates over time and across entities. However, the categories are not intended to cover all possible reconciling items based on existing or future tax laws.

Disaggregation of categories

The guidance requires further disaggregation of certain categories when the individual reconciling items equal or exceed 5% of the amount computed by multiplying the income (or loss) from continuing operations before income tax by the applicable statutory federal (national) income tax rate. The disaggregation should be assessed by reconciling items of the same nature. That is, if reconciling items of the same nature equal or exceed the 5% threshold in total, a disaggregated reconciling item is required to be disclosed.

When providing further disaggregation of reconciling items by nature for certain categories, an entity should consider the item's fundamental or essential characteristics, such as the event that caused the reconciling item and the activity with which the reconciling item is associated.

Categorizing reconciling items

The state and local income tax category should reflect income taxes imposed at the state or local level within the jurisdiction (country) of domicile, the foreign tax effects category should reflect income taxes imposed by foreign jurisdictions, and the other categories in ASC 740-10-50-12A(a) should reflect federal (national) income taxes imposed by the jurisdiction (country) of domicile, except for reconciling items related to changes in unrecognized tax benefits, as discussed below.

Reconciling items are required to be presented on a gross basis with two exceptions under which PBEs may present on a net basis (1) unrecognized tax benefits and the related tax positions and (2) tax effects of certain cross-border tax laws and the related tax credits. The gross basis amount in this context refers to the tax-impacted amount of a reconciling item before offsets from related reconciling items.

Any reconciling item that meets the 5% threshold but does not fit into any of the categories listed in ASC 740-10-50-12A(a) is required to be separately disclosed by nature as an other adjustment in the rate reconciliation.

How we see it

Requiring all PBEs to disclose specific categories in the rate reconciliation and additional reconciling items in certain categories will promote disclosure consistency and comparability.

The guidance requires all entities to provide more disaggregated income tax disclosures.

Rate reconciliation categories

State and local income tax, net of federal (national) income tax effect

The guidance requires PBEs to provide qualitative disclosure of the states and local jurisdictions that make up the majority of the state and local income tax category.

ASC 740-10-50-12B states, "A public business entity shall provide a qualitative description of the states and local jurisdictions that make up the majority (greater than 50 percent) of the effect of the state and local income tax category. For the purpose of identifying the states and local jurisdictions that make up the majority of the effect, a public business entity shall begin with the state or local jurisdiction that has the largest effect and in descending order add states or local jurisdictions with the next largest effect until the aggregated effect is greater than 50 percent."

Foreign tax effects

The guidance requires further disaggregation by jurisdiction (country) and by nature when reconciling items in the foreign tax effects category equal or exceed the 5% threshold except for reconciling items related to changes in unrecognized tax benefits.

If a foreign jurisdiction meets the 5% threshold, it should be separately disclosed as a reconciling item in the foreign effects category. An entity should then evaluate whether any reconciling items in that jurisdiction should be separately disclosed based on the 5% threshold.

In addition, a jurisdiction may not meet the 5% threshold, but there could be reconciling items within that jurisdiction that meet the 5% threshold, which would require disclosure under the guidance. Reconciling items in a foreign jurisdiction should be separately disclosed by nature if the gross amount (i.e., the sum of all the tax effected items by nature, positive or negative) meets the 5% threshold, regardless of whether the jurisdiction's taxes in total meet the 5% threshold. For example, if the statutory tax rate difference between a foreign jurisdiction (country) and the jurisdiction (country) of domicile meets the 5% threshold, it should be separately disclosed as a reconciling item within the foreign jurisdiction under the foreign tax effects category in the rate reconciliation.

When an entity disaggregates reconciling items within the foreign tax effects category by nature, the guidance in ASC 740-10-50-12A(b) says it “should consider the reconciling item’s fundamental or essential characteristics.”

The following example illustrates how an entity would present reconciling items in the foreign tax effects category.

Illustration - Foreign tax effects

A PBE, domiciled in the United States, has reconciling items within the foreign tax effects category of the rate reconciliation that meets the 5% threshold. Assuming that the reconciling items that meet the 5% threshold are in **bold text**, the required disaggregation of reconciling items by jurisdiction and nature would be as follows:

Foreign Tax Effects¹

Foreign jurisdiction (country) A²

Statutory tax rate difference between foreign jurisdiction A and United States

Share-based payment awards

Research and development tax credits

Other

Foreign jurisdiction (country) B³

Statutory tax rate difference between foreign jurisdiction B and United States

Changes in valuation allowances

Enacted changes in tax laws or rates

Other

Foreign jurisdiction (country) C⁴

Research and development tax credits

Enacted changes in tax laws or rates

Other

Foreign jurisdiction (country) D⁵

Foreign jurisdiction (country) E⁵

Other foreign jurisdictions⁶

See the Appendix for a comprehensive rate reconciliation illustration.

¹ This category includes jurisdictions meeting the 5% threshold in total and jurisdictions with individual reconciling items by nature that meet the 5% threshold, and therefore disaggregated disclosures are required.

² The 5% threshold is met both at the jurisdiction level in total and for certain individual reconciling items of the same nature within the jurisdiction, including the statutory rate differential.

³ The 5% threshold is not met at the jurisdiction level in total, however certain individual reconciling items of the same nature within the jurisdiction meet the 5% threshold, including the statutory rate differential.

⁴ The 5% threshold is met both at the jurisdiction level in total and for certain individual reconciling items of the same nature within the jurisdiction. The statutory rate differential is not one of the individual reconciling items meeting the 5% threshold.

⁵ The 5% threshold is met at the jurisdiction level in total, but not for any individual reconciling items of the same nature within each jurisdiction.

⁶ All other foreign jurisdictions do not exceed the 5% threshold at the jurisdiction level in total or for individual reconciling items of the same nature within each jurisdiction

The illustration in ASC 740-10-55-231 (see Appendix) provides more examples of reconciling items. We believe that entities should be consistent in defining reconciling items by nature between the foreign tax effects category and the other categories that apply to domestic tax effects. For example, if the effects of cross-border tax laws imposed by jurisdictions other than the jurisdiction (country) of domicile meet the 5% threshold, they should be broken out by nature in the foreign tax effect category under the jurisdiction imposing the tax.

Effect of changes in tax laws or rates enacted in the current period

ASC 740-10-50-12A(c)(4) states, "The effect of changes in tax laws or rates enacted in the current period category reflects the cumulative tax effects of a change in enacted tax laws or rates on current or deferred tax assets and liabilities at the date of enactment." This category applies to the effect of changes in tax laws or rates enacted in the current reporting period by the federal (national) jurisdiction of domicile. Effects of changes in tax laws or rates enacted in the current period by foreign jurisdictions and by states and local jurisdictions within the jurisdiction (country) of domicile should be included in the foreign tax effects category and state and local income tax category, respectively.

Effect of cross-border tax laws

The guidance requires further disaggregation by nature when reconciling items within the effect of cross-border tax laws category equal or meet the 5% threshold.

ASC 740-10-50-12A(c)(3) states, "The effect of cross-border tax laws category reflects the effect of incremental income taxes imposed by the jurisdiction (country) of domicile on income earned in foreign jurisdictions. When the jurisdiction (country) of domicile taxes cross-border income but also provides a tax credit on the same income during the same reporting period, the tax effect of both the cross-border tax and its related tax credit may be presented on a net basis in the effect of cross-border tax laws category. For example, the tax effect related to the global intangible low-taxed income and its related foreign tax credits may be presented on a net basis as one reconciling item in the effect of cross-border tax laws category."

The FASB said in BC 33 that stakeholder feedback "noted that disclosing the cross-border income taxes imposed by the jurisdiction (country) of domicile gross, rather than net of the benefits provided by the same jurisdiction for foreign taxes paid (or deemed paid) on the same income, would not reflect the true incremental tax cost of income earned abroad." In response to this, the Board decided to include guidance that if there is a credit in the same jurisdiction, which is an inherent part of the calculation of a cross-border tax law, the credit could be netted with the cross-border tax effect.

The rate reconciliation table in the illustration in ASC 740-10-55-231, includes the tax effects related to global intangible low-taxed income (GILTI), base erosion and anti-abuse tax (BEAT), and foreign-derived intangible income (FDII) in the cross-border tax laws category. The FASB said in BC 30 that the reference to FDII is included in the illustration under the effect of cross-border tax laws category to provide a more consistent disclosure of that information. However, the FASB acknowledged that entities may need to exercise judgment when identifying the reconciling items to be included in this category, including the categorization of special deductions such as FDII, for both US-domiciled entities and entities domiciled in a foreign jurisdiction.

Tax credits

The guidance requires further disaggregation by nature when reconciling items in the tax credits category equal or exceed the 5% threshold. This category applies to tax credits imposed by the federal (national) jurisdiction of domicile. Tax credits imposed by foreign jurisdictions and by state and local jurisdictions in the jurisdiction (country) of domicile should be included in the foreign tax effects category and state and local income tax category, respectively.

As discussed above, when the jurisdiction (country) of domicile taxes cross-border income but also provides a tax credit on the same income during the same reporting period, the tax effect of both the cross-border tax and its related tax credit may be presented on a net basis as one reconciling item in the effect of cross-border tax laws category, rather than included in the tax credits category.

Changes in valuation allowances

For the purpose of categorizing reconciling items, the Board clarified in BC 25 that the category related to changes in valuation allowances reflects both the valuation allowances initially recognized and subsequently adjusted in the reporting period. This category applies to changes in valuation allowances in the federal (national) jurisdiction of domicile.

Changes in valuation allowances related to foreign jurisdictions and state and local jurisdictions in the jurisdiction (country) of domicile should be included in the foreign tax effects category and state and local income tax category, respectively. The Board said in BC 27 that it decided not to allow entities to disclose valuation allowances on an aggregated basis for all jurisdictions.

Nontaxable or nondeductible items

The guidance requires further disaggregation by nature when reconciling items in the nontaxable or nondeductible items category equal or exceed the 5% threshold. This category applies to nontaxable or nondeductible items in the federal (national) jurisdiction of domicile (e.g., certain share-based payment awards, goodwill impairment). Nontaxable or nondeductible items in foreign jurisdictions and in state and local jurisdictions within the jurisdiction (country) of domicile should be included in the foreign tax effects category and state and local income tax category, respectively.

Changes in unrecognized tax benefits

ASC 740-10-50-12A(c)(2) states:

“For reconciling items related to changes in unrecognized tax benefits:

- i. Reconciling items resulting from changes in judgment related to tax positions taken in prior annual reporting periods (such as subsequent recognition, derecognition, and change in measurement of unrecognized tax benefits) are reflected in the changes in unrecognized tax benefits category.
- ii. When an unrecognized tax benefit is recorded in the current annual reporting period for a tax position taken or expected to be taken in the same reporting period, the unrecognized tax benefit and its related tax position may be presented on a net basis in the category where the tax position is presented.
- iii. Reconciling items presented in the changes in unrecognized tax benefits category may be disclosed on an aggregated basis for all jurisdictions.”

In response to stakeholder feedback, the Board decided to allow the aggregation of changes in unrecognized tax benefits across all jurisdictions. If a PBE chooses to do this, all changes in unrecognized tax benefits would be disclosed in this category, and changes in unrecognized tax benefits in foreign jurisdictions and state and local jurisdictions in the jurisdiction (country) of domicile would be excluded from the foreign tax effects category and state and local income tax category, respectively.

Considerations when determining rate reconciliation categories for reconciling items

The FASB said in BC 29 that judgment may be needed when determining how to categorize certain income tax effects that do not clearly fall into one of the required categories, including certain income tax effects that have characteristics of multiple categories or when assessing the nature of reconciling items for further disaggregation.

Reconciling items presented in the changes in unrecognized tax benefits category may be disclosed on an aggregated basis for all jurisdictions.

The Board discussed several examples of tax items for which it decided not to provide guidance on their categorization, including the effects of share-based payment awards, which an entity may decide to include in the nontaxable or nondeductible items category even though the windfall on its own might not be considered to be part of this category. Another example of an area of judgment is the categorization of FDII, as discussed above.

The Board did not provide guidance for how to categorize the effects of alternative minimum tax systems, such as the corporate alternative minimum tax (CAMT) in the US or laws enacted to implement the Organisation for Economic Co-operation and Development's Global Anti-Base Erosion (GloBE) model rules. These effects may be presented in foreign tax effects, the effect of cross-border tax laws or an additional separate category not in the list of required categories, depending on the most appropriate categorization for a particular entity.

When judgment is required to determine the appropriate category for certain tax effects, the categorization should be applied consistently.

Additional rate reconciliation disclosure requirements

The guidance requires PBEs to disclose an explanation, if not otherwise evident, of individual reconciling items required, such as the nature, effect and underlying causes of the reconciling items and the judgment used in categorizing the reconciling items.

The guidance also aligns the disclosure requirements on the income tax rate that could be used for the rate reconciliation with Rule 4-08(h)(2)² of Regulation S-X, which allows a PBE to use a statutory income tax rate other than the income tax rate in its country of domicile when it is not domiciled in the US. The guidance requires disclosure of the rate used and the basis for using it when it is other than the US federal corporate income tax rate.

Materiality considerations on the rate reconciliation disclosure

ASC 740 does not provide a quantitative threshold for disclosure of the required categories in ASC 740-10-50-12A(a). The 5% quantitative threshold under the guidance is only applicable when assessing whether certain categories require further disaggregation.

The FASB noted in BC 22 that the guidance in ASC 105-10-05-6, which states "The provisions of the Codification need not be applied to immaterial items," continues to apply to the guidance in this Accounting Standards Updated (ASU). Therefore, the requirement to disclose reconciling items by specific categories with further disaggregation of reconciling items based on the application of a quantitative threshold does not apply to immaterial items. The Board did not provide guidance on how to apply the 5% threshold when an entity operates at or around break even, which could lead to a significant number of reconciling items that meet the 5% threshold. The FASB said in BC 38 that an entity will need to apply judgment in assessing materiality for purposes of preparing a rate reconciliation that provides relevant and meaningful information.

Rate reconciliation for entities other than PBEs

Entities that are not PBEs are required to provide qualitative disclosures about "specific categories of reconciling items listed in ASC 740-10-50-12A(a) and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate" under ASC 740-10-50-13. The Board stated in BC 53 that entities other than PBEs may provide a tabular rate reconciliation if they determine it provides better information, but they are not required to make such a quantitative disclosure.

Income taxes paid

The guidance requires all entities to disclose, on an annual basis, income taxes paid (net of refunds received) disaggregated by federal (national) taxes in the country of domicile, state taxes and foreign taxes. The state and local taxes category reflects those paid in the country of domicile, while foreign taxes include all state and local taxes paid in the foreign jurisdictions.

The guidance also requires all entities to disclose annually the amount of income taxes paid (net of refunds received) to each individual jurisdiction in which income taxes paid (net of refunds received) is equal to or exceeds a quantitative threshold of 5% of total income taxes paid (net of refunds received). When applying this disclosure requirement, the FASB said in BC 64 that an entity may identify a country, state or local territory as an individual jurisdiction.

Materiality considerations on income taxes paid disclosure

The FASB said in BC 65 that the guidance in ASC 105-10-05-6 about immaterial items also applies to the amendments related to this disclosure. That is, an entity does not need to separately disclose the income taxes paid for any jurisdiction (whether that is federal, state or foreign groupings or individual jurisdictions) if the amount is immaterial, even if the quantitative threshold is met.

Disaggregated domestic and foreign income statement disclosures

The guidance requires all entities to disclose, on an annual basis, the following income statement information in addition to what is already required:

- Income (or loss) from continuing operations before income tax expense (or benefit), disaggregated between domestic and foreign
- Income tax expense (or benefit) from continuing operations, disaggregated between federal (national), state and foreign

The Board did not address whether pretax income (or loss) from continuing operations should be presented before or after intercompany eliminations. We believe the decision to present this information before or after intercompany eliminations is an accounting policy election that should be applied consistently.

The FASB said in BC 104 that when disaggregating by state in the disclosure of income tax expense (or benefit) from continuing operations by federal (national), state and foreign for non-US jurisdictions that do not have an equivalent jurisdictional level, an entity that is not domiciled in the US should disclose the state income tax expense (or benefit) by state, local, or similar territories within the country of domicile.

The guidance requires income tax expense invoked on foreign earnings by the jurisdiction of domicile be included in the amount for the jurisdiction of domicile, not the jurisdiction generating the foreign earnings subject to the tax. For example, income taxes on GILTI of a US reporting entity would be classified as federal because the income tax is imposed by the US government despite the related income from continuing operations being classified as foreign.

The guidance to disclose disaggregated domestic and foreign income statement information is similar to that in Rule 4-08(h)(1)³ of Regulation S-X.

Undistributed earnings of subsidiaries and corporate joint ventures

The guidance eliminates the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition in ASC 740-30 related to subsidiaries and corporate joint ventures.

For example, an entity is no longer required to disclose the cumulative amount of undistributed earnings when it asserts that it is indefinitely reinvesting foreign earnings. However, it is still required to make all other disclosures regarding unrecognized deferred tax liabilities under ASC 740-30-50-2.

All entities are required to disclose annually the amount of income taxes paid (net of refunds received) to individual jurisdictions that meet a quantitative threshold.

Unrecognized tax benefits

The guidance eliminates for all entities the requirement to (1) disclose certain information when it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date or (2) make a statement that an estimate of the range cannot be made.

Applicability to PBEs

The amendments also replace the terms “public entity” and “nonpublic entity” in ASC 740 with the terms “public business entity” as defined in the ASC Master Glossary and “an entity other than a public business entity,” respectively. Therefore, the disclosures in ASC 740 that are required by “public entities” under the legacy guidance will now be required by “public business entities” under the amended guidance.

Effective date and transition

The guidance should be applied prospectively, but entities have the option to apply it retrospectively for each period presented. The guidance is effective for PBEs for annual periods beginning after 15 December 2024 and for other entities for annual periods beginning after 15 December 2025.

Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance.

Endnotes:

- 1 ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*.
- 2 S-X Rule 4-08(h)(2) states, “In the reconciliation between the amount of reported total income tax expense (benefit) and the amount computed by multiplying the income (loss) before tax by the applicable statutory Federal income tax rate, if no individual reconciling item amounts to more than five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, and the total difference to be reconciled is less than five percent of such computed amount, no reconciliation need be provided unless it would be significant in appraising the trend of earnings. Reconciling items that are individually less than five percent of the computed amount may be aggregated in the reconciliation. Where the reporting person is a foreign entity, the income tax rate in that person’s country of domicile should normally be used in making the above computation, but different rates should not be used for subsidiaries or other segments of a reporting entity. When the rate used by a reporting person is other than the United States Federal corporate income tax rate, the rate used and the basis for using such rate shall be disclosed.”
- 3 S-X Rule 4-08(h)(1) states, “Disclosure shall be made in the statement of comprehensive income or a note thereto, of the components of income (loss) before income tax expense (benefit) as either domestic or foreign.
 - (i) the components of income (loss) before income tax expense (benefit) as either domestic or foreign;
 - (ii) the components of income tax expense, including
 - (A) taxes currently payable and
 - (B) the net tax effects, as applicable, of timing differences (indicate separately the amount of the estimated tax effect of each of the various types of timing differences, such as depreciation, warranty costs, etc., where the amount of each such tax effect exceeds five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate; other differences may be combined.)

Note 1 to paragraph (h)(1):

Amounts applicable to United States Federal income taxes, to foreign income taxes and the other income taxes shall be stated separately for each major component. Amounts applicable to foreign income (loss) and amounts applicable to foreign or other income taxes which are less than five percent of the total of income before taxes or the component of tax expense, respectively, need not be separately disclosed. For purposes of this rule, foreign income (loss) is defined as income (loss) generated from a registrant’s foreign operations, i.e., operations that are located outside of the registrant’s home country”

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Appendix Illustration of rate reconciliation disclosure

The guidance includes the following illustration¹ of the specific categories and the reconciling items that a PBE must disclose in its tabular rate reconciliation in accordance with ASC 740-10-50-12A through 50-12B. In the illustration, the entity is domiciled in the US and presents comparative financial statements. For the disclosure of foreign tax effects in accordance with ASC 740-10-50-12A(b)(2), it is assumed that the 5% threshold, computed by multiplying the income (or loss) from continuing operations before income taxes by the applicable statutory federal (national) income tax rate of the US, is met:

- ▶ For Ireland, both at the jurisdiction level and for certain individual reconciling items of the same nature within Ireland
- ▶ For the United Kingdom, for certain individual reconciling items of the same nature within the United Kingdom but not at the jurisdiction level
- ▶ For Switzerland and Mexico, at the jurisdiction level but not for any individual reconciling items of the same nature within each jurisdiction

	Year Ended December 31, 20X2			Year Ended December 31, 20X1			Year Ended December 31, 20X0		
	Amount	Percent		Amount	Percent		Amount	Percent	
US Federal Statutory Tax Rate	\$ AA	aa	%	\$ BB	bb	%	\$ CC	cc	%
State and Local Income Taxes, Net of Federal Income Tax Effect*	AA	aa		BB	bb		CC	cc	
Foreign Tax Effects									
United Kingdom									
Statutory tax rate difference between United Kingdom and United States	(AA)	(aa)		(BB)	(bb)		(CC)	(cc)	
Share-based payment awards	AA	aa		BB	bb		CC	cc	
Research and development tax credits	(AA)	(aa)		(BB)	(bb)		CC	cc	
Other	(AA)	(aa)		BB	bb		(CC)	(cc)	
Ireland									
Statutory tax rate difference between Ireland and United States	(AA)	(aa)		(BB)	(bb)		(CC)	(cc)	
Changes in valuation allowances	(AA)	(aa)		(BB)	(bb)		CC	cc	
Enacted changes in tax laws or rates	-	-		BB	bb		-	-	
Other	AA	aa		(BB)	(bb)		(CC)	(cc)	
Switzerland	(AA)	(aa)		(BB)	(bb)		(CC)	(cc)	
Mexico	AA	aa		BB	bb		CC	cc	
Other foreign jurisdictions	(AA)	(aa)		(BB)	(bb)		CC	cc	
Effect of Changes in Tax Laws or Rates Enacted in the Current Period	-	-		-	-		(CC)	(cc)	
Effect of Cross-Border Tax Laws									
Global intangible low-taxed income	AA	aa		BB	bb		CC	cc	
Foreign-derived intangible income	(AA)	(aa)		(BB)	(bb)		(CC)	(cc)	
Base erosion and anti-abuse tax	AA	aa		BB	bb		CC	cc	
Other	AA	aa		-	-		-	-	
Tax Credits									
Research and development tax credits	-	-		(BB)	(bb)		(CC)	(cc)	
Energy-related tax credits	(AA)	(aa)		-	-		-	-	
Other	-	-		(BB)	(bb)		-	-	
Changes in Valuation Allowances	AA	aa		(BB)	(bb)		(CC)	(cc)	
Nontaxable or Nondeductible Items									
Share-based payment awards	AA	aa		BB	bb		CC	cc	
Goodwill impairment	AA	aa		BB	bb		-	-	
Other	AA	aa		(BB)	(bb)		CC	cc	
Changes in Unrecognized Tax Benefits	(AA)	(aa)		BB	bb		(CC)	(cc)	
Other Adjustments	AA	aa		(BB)	(bb)		(CC)	(cc)	
Effective Tax Rate	\$ AA	aa	%	\$ BB	bb	%	\$ CC	cc	%

* State taxes in California and New York made up the majority (greater than 50 percent) of the tax effect in this category.

¹ ASC 740-10-55-231.