



TaxNewsFlash

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KPMG report: Accounting for income taxes handbook

KPMG's Department of Professional Practice prepared a handbook that provides a detailed explanation of accounting for income taxes.

Read the [February 2023 report](#) [PDF 6.4 MB]: *Accounting for Income Taxes Handbook*

The handbook is designed to assist in an understanding of the application of ASC 740, providing in-depth guidance on a wide range of implementation issues.

Among other things, the handbook discusses:

- New guidance on the accounting for key provisions of H.R. 5376, commonly called the "Inflation Reduction Act of 2022" (IRA), and H.R. 4346, "The CHIPS and Science Act of 2022" (CHIPS), including the corporate alternative minimum tax (AMT) and refundable and transferable tax credits
- Clarified guidance on accounting for tax credits that are like government grants
- New guidance on accounting for the global minimum tax

The handbook covers the following issues:

- Temporary differences
- Tax calculation
- Valuation of deferred tax assets
- Changes in tax laws, rates or status
- Tax effects of business combinations
- Foreign operations
- Income tax issues associated with share-based payment arrangements
- Financial statement presentation and disclosure
- Other considerations
- Examples of scheduling temporary differences
- Accounting for investments in qualified affordable housing projects

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