

# FASB Interpretation No. 32

Note: This Interpretation has been completely superseded

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## Application of Percentage Limitations in Recognizing Investment Tax Credit

an interpretation of APB Opinions 2, 4, and 11

March 1980



Financial Accounting Standards Board  
of the Financial Accounting Foundation  
401 MERRITT 7, P.O. BOX 5116, NORWALK, CONNECTICUT 06856-5116

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**FASB Interpretation No. 32**

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## FIN 32: Application of Percentage Limitations in Recognizing Investment Tax Credit

### an interpretation of APB Opinions 2, 4, and 11

#### FIN 32 Summary

The Revenue Act of 1978 changed the statutory percentage limitations that determine the extent to which federal income tax otherwise payable is offset by investment tax credit. This Interpretation clarifies the percentage limitations to be used in recognizing investment tax credit in the computation of income tax expense for financial reporting purposes.

#### INTRODUCTION

1. The FASB has been asked to clarify the application of paragraph 10 of FASB Interpretation No. 25, *Accounting for an Unused Investment Tax Credit*, with respect to the statutory limitation to be used in recognizing unused investment tax credit. Appendix A contains background information about that request.

#### INTERPRETATION

2. The percentage limitation on the amount of federal income tax payable that can be offset by investment tax credit in the "with-and-without" computation <sup>1</sup> shall be the statutory percentage limitations in effect for the year for which the computation is being made.

3. The limitations to be used in recognizing investment tax credit in addition to that recognized in the "with-and-without" computation shall be the statutory percentage limitations applicable to the years in which previously recorded deferred tax credits are expected to reverse. Only net deferred tax credits that have not been previously offset and that will reverse during the investment tax credit carryforward period, disregarding any timing differences that may originate

originate in that carryforward period, shall be offset by investment tax credit.

4. Net deferred tax credits offset in prior years shall not be adjusted to reflect changes in the statutory percentage limitations.

## **EFFECTIVE DATE AND TRANSITION**

5. The provisions of this Interpretation shall be applied prospectively for recognition of investment tax credit <sup>2</sup> in fiscal years beginning after December 15, 1979. Earlier application is encouraged in financial statements for fiscal years beginning before December 16, 1979 that have not been previously issued.

6. If early application is adopted in financial statements for a fiscal year beginning before December 16, 1979, previously issued financial information for any interim periods of that fiscal year that precede the period of adoption shall be restated to give effect to the provisions of this Interpretation. Any subsequent presentation of that information shall be on a restated basis. This Interpretation shall not be applied retroactively for previously issued annual financial statements.

*This Interpretation was adopted by the affirmative votes of six members of the Financial Accounting Standards Board. Mr. Walters dissented.*

Mr. Walters dissents from this Interpretation because it is unnecessarily complex to apply and the result has no meaning in either the conceptual or the real world. In his view, the objective of this exercise should be to accrue the benefit that is assured from unused investment tax credits. In the worst case, that is the deferred taxes that will not be paid because of the availability of those investment tax credits. This should be determined by applying the statutory percentage limitations that will be in effect when the timing differences are expected to reverse (within the investment tax credit carryforward period).

### *Members of the Financial Accounting Standards Board:*

Donald J. Kirk, *Chairman*  
Frank E. Block  
John W. March  
Robert A. Morgan  
David Mosso  
Robert T. Sprouse  
Ralph E. Walters

## Appendix A: BACKGROUND INFORMATION

7. Paragraph 10 of Interpretation 25 states:

The tax benefit of investment tax credits becoming available in the current period (excluding investment tax credits carried back to previous years. . .) or carried forward from a prior period shall be recognized in measuring income tax expense for the current period... by the deferred method to the extent that the benefit would have been realized if taxes payable had been based on pretax accounting income adjusted for permanent differences. In addition, any remaining unused investment tax credit shall be offset against existing net deferred tax credits... to the extent that those net deferred tax credits would reverse during the investment tax credit carryforward period, disregarding any timing differences that may originate in that carryforward period. *The statutory limitation on offsets of the investment tax credit against federal income taxes payable... shall be applied to each determination of amounts of investment tax credit to be recognized in accordance with the provisions of this Interpretation.* [Emphasis added.]

8. The Revenue Act of 1978 changed the statutory percentage limitations that determine the extent to which federal income tax otherwise payable may be offset by investment tax credit.<sup>3</sup> The FASB has been asked whether an enterprise should use the limitation currently in effect or the limitation that is scheduled to be in effect in the year that the timing difference is expected to reverse in determining the amount of investment tax credit to be recognized in applying Interpretation 25.

9. Paragraph 36 of APB Opinion No. 11, *Accounting for Income Taxes*, and paragraph 10 of Interpretation 25 require that the tax effect of timing differences be computed by the "with-and-without" method. Under that method, the tax effect of a timing difference is the difference between income taxes on income "with" the timing difference included and "without" it and results in deferred income tax debits or credits. The deferred taxes are based on tax rates in effect when the timing differences originate.

10. A proposed Interpretation, *Application of Percentage Limitations in Recognizing Investment Tax Credits under FASB Interpretation No. 25*, was issued November 14, 1979. The Board received 28 letters of comment on the proposed Interpretation.

11. Under Interpretation 25, the amount of investment tax credit recognized in the computation of income tax expense for the current period includes investment tax credit recognized (a) in the "with-and-without" computation and (b) as an offset against existing net

deferred tax credits. Some respondents questioned the rationale for limiting investment tax credit recognized in the "with-and-without" computation to the limitation in effect for the year for which the computation is being made but using future limitations in offsetting investment tax credit against existing net deferred tax credits. Other respondents suggested that the additional investment tax credit to be recognized as an offset of existing net deferred tax credits should not be limited to deferred tax credits that have not been previously offset.

12. The first sentence of paragraph 10 of Interpretation 25 provides for the recognition of investment tax credit in the "with-and-without" computation under comprehensive interperiod income tax allocation by the deferred method. The deferred method of interperiod tax allocation uses the tax rates currently in effect, does not consider future tax rates, and does not adjust for subsequent changes in rates (paragraph 19 of Opinion 11). Therefore, the amount of investment tax credit recognized in the "with-and-without" computation is determined by applying the limitation in effect for the year for which the computation is being made (paragraph 36 of Opinion 11). Deferred tax credits offset in the "with-and-without" computation are considered fully offset.

13. In determining the amount of investment tax credit to be recognized as an offset against existing net deferred tax credits, prospective percentage limitations are applied to existing net deferred tax credits from prior years that have not been previously offset. Prospective limitations are applied only to existing net deferred tax credits not previously offset because application of prospective limitations to existing net deferred tax credits that have been previously offset would result in subsequently adjusting the limitation applied in the "with-and-without" computation. This concept under Interpretation 25 is similar to recognizing currently the tax benefit of an operating loss carryforward as an offset against existing net deferred tax credits (paragraph 48 of Opinion 11).

14. A footnote in the proposed Interpretation stated that the most current statutory percentage limitations in effect should be used if the limitations change after the end of the reporting period but before the financial statements are issued. Several respondents disagreed with that approach as not being consistent with Opinion 11. That footnote was deleted and the statutory percentage limitations to be used in applying paragraph 3 are those that have been enacted by the end of the reporting period as being applicable to the years in which the deferred tax credits are expected to reverse.

## **Appendix B: EXAMPLE OF COMPUTATIONS FOR RECOGNIZING INVESTMENT TAX CREDIT**

15. This example illustrates one method of computing the amount of investment tax credit to be recognized in financial statement provisions for income tax expense in the "with-and-without" computation and as an offset against existing net deferred tax credits under this Interpretation. Note that paragraph 4 specifies that net deferred tax credits previously offset shall not be adjusted to reflect changes in the statutory limitations. The example does not comprehend all possible combinations of circumstances.

### **General Assumptions**

16. The general assumptions on which the following example is based are:

- a. There are no permanent differences.
- b. There are no investment tax credit carrybacks.
- c. The "net change" method of computing deferred taxes is used (paragraph 37 of Opinion 11).
- d. As of January 1, 1979, the deferred tax account consists of the following:

Deferred tax credits resulting from timing differences aggregating \$260,000	\$119,600
Less investment tax credit recognized but not realized	<u>35,000</u>
Net deferred tax credits	<u>\$ 84,600</u>

- e. The federal income tax rate before recognition of any tax credits is 46 percent.
- f. The statutory percentage limitations in effect are those specified in footnote 3 to paragraph 8 of this Interpretation.
- g. Reinstatement of deferred tax credits only arises when investment tax credit realized on the tax return exceeds the amount recognized for financial reporting purposes in the current period.

## Timing Differences

17. Timing differences are summarized as follows:

a. Scheduled Reversal of Timing Differences by Year of Origin

<u>Year of</u> <u>Reversal</u>	<u>Total</u> <u>Reversal</u>	<u>Timing Differences Originating In</u>					
		<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
1979	\$ 12,000	\$ 12,000					
1980	20,000	12,000	\$ 8,000				
1981	230,000	12,000	8,000	\$ 6,000	\$204,000		
1982		12,000	8,000	6,000	204,000		
1983		12,000	8,000	6,000	204,000		
1984		12,000	8,000	6,000	—		
1985		12,000	8,000	6,000	—		
1986		12,000	8,000	6,000	—		
1987		12,000	8,000	6,000	—	\$210,000	
1988		12,000	8,000	6,000	—	210,000	
1989		—	8,000	6,000	—	—	\$365,000
1990		—	—	6,000	—	—	365,000
Total		<u>\$120,000</u>	<u>\$80,000</u>	<u>\$60,000</u>	<u>\$612,000</u>	<u>\$420,000</u>	<u>\$730,000</u>

b. Summary of Cumulative Net Timing Differences

<u>End of</u> <u>Year</u>	<u>Timing Differences</u>						
	<u>Total</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
1979	\$ 860,000	\$108,000	\$80,000	\$60,000	\$612,000		
1980	1,260,000	96,000	72,000	60,000	612,000	\$420,000	
1981	1,760,000	84,000	64,000	54,000	408,000	420,000	\$730,000

c. Summary of Timing Differences Originating Prior to the Beginning of the Period That Are Still in Existence at the End of the Period

<u>End of</u> <u>Year</u>	<u>Timing Differences</u>						
	<u>Total</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	
1979	\$ 248,000	\$108,000	\$80,000	\$60,000			
1980	840,000	96,000	72,000	60,000	\$612,000		
1981	1,030,000	84,000	64,000	54,000	408,000	\$420,000	

## Additional Assumptions

18. Additional assumptions on which the following example is based are:

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Pretax accounting income	\$1,500,000	\$1,000,000	\$1,600,000
Timing differences:			
Originating	(612,000)	(420,000)	(730,000)
Reversing	<u>12,000</u>	<u>20,000</u>	<u>230,000</u>
Net	<u>(600,000)</u>	<u>(400,000)</u>	<u>(500,000)</u>
Taxable income	<u>\$ 900,000</u>	<u>\$ 600,000</u>	<u>\$1,100,000</u>
Originating investment tax credit	<u>\$ 325,000</u>	<u>\$ 370,000</u>	<u>\$ 675,000</u>
Federal income tax based on pretax accounting income at 46%	(1) <u>\$ 690,000</u>	<u>\$ 460,000</u>	<u>\$ 736,000</u>
Federal income tax based on taxable income at 46%	(2) <u>\$ 414,000</u>	<u>\$ 276,000</u>	<u>\$ 506,000</u>
Difference [(1) – (2)]	<u>\$ 276,000</u>	<u>\$ 184,000</u>	<u>\$ 230,000</u>

## "With-and-without" Computation

19. Investment tax credit recognized under the "with-and-without" method is computed as follows:

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Investment tax credit based on the federal income tax on pretax accounting income:			
First \$25,000 × 100%	\$ 25,000	\$ 25,000	\$ 25,000
Remainder of federal income tax:			
(\$690,000 – \$25,000) × 60%	399,000		
(\$460,000 – \$25,000) × 70%		304,500	
(\$736,000 – \$25,000) × 80%			568,800
Total	<u>\$424,000</u>	<u>\$329,500</u>	<u>\$593,800</u>
Amount recognized (lesser of amount computed above or amount available)	(1) <u>\$325,000</u>	<u>\$329,500</u>	<u>\$593,800</u>
Investment tax credit realized on taxable income (cannot exceed amount available for tax purposes):			
First \$25,000 of federal income tax × 100%	\$ 25,000	\$ 25,000	\$ 25,000
Remainder of federal income tax:			
(\$414,000 – \$25,000) × 60%	233,400		
(\$276,000 – \$25,000) × 70%		175,700	
(\$506,000 – \$25,000) × 80%			384,800
Total	(2) <u>\$258,400</u>	<u>\$200,700</u>	<u>\$409,800</u>
Investment tax credit recognized in the "with-and-without" computation in excess of that realized on taxable income [(1) – (2)]	<u>\$ 66,600</u>	<u>\$128,800</u>	<u>\$184,000</u>

## Offset of Unrecognized Investment Tax Credit Against Existing Net Deferred Tax Credits

20. Remaining unused investment tax credit, after the "with-and-without" computation, is recognized as an offset against existing net deferred tax credits that would reverse in the investment tax credit carryforward period. Investment tax credit offset against existing net deferred tax credits is summarized as follows:

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Unrecognized investment tax credit after "with-and-without" computation (available for offset against existing net deferred tax credits):			
Unrecognized investment tax credit carried forward from prior years	\$ —	\$ —	\$ —
Originating in current year	<u>325,000</u>	<u>370,000</u>	<u>675,000</u>
	325,000	370,000	675,000
Recognized in "with-and-without" computation	<u>325,000</u>	<u>329,500</u>	<u>593,800</u>
Unrecognized investment tax credit available for offset against existing net deferred tax credits	(1) <u>\$ —</u>	<u>\$ 40,500</u>	<u>\$ 81,200</u>
Existing net deferred tax credits at the beginning of the year, available for offset at the end of the year:			
Paragraph 21		\$205,400	
Paragraph 22			\$ 61,831
Multiplied by limitation rate in years of expected reversal <sup>4</sup>		<u>80% &amp; 90% <sup>5</sup></u>	<u>90%</u>
Offset limitation based on existing net deferred tax credits available for offset	(2) N/A	<u>\$183,088</u>	<u>\$ 55,648</u>
Investment tax credit recognized by offset [lesser of (1) or (2)]	(3) N/A	<u>\$ 40,500</u>	<u>\$ 55,648</u>
Investment tax credit carried forward [(1) – (3)]	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25,552</u>

## Offset Computation

21. The computation of deferred tax credits available for offset in 1980 is as follows:

		<u>Total</u>	<u>Timing Differences Originating In</u>			
			<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Timing differences (paragraph 17 (c)) <sup>6</sup>		<u>\$840,000</u>	<u>\$96,000</u>	<u>\$72,000</u>	<u>\$60,000</u>	<u>\$612,000</u>
Deferred tax credits at average rate <sup>7</sup>	(1)	<u>\$386,400</u>	<u>\$44,160</u>	<u>\$33,120</u>	<u>\$27,600</u>	<u>\$281,520</u>
Deferred tax credits considered to have been previously offset: <sup>8</sup>						
Investment Tax Credit Recognized						
Pre-1979 \$35,000 ÷ 50%		70,000	44,160	25,840	—	—
1979 66,600 ÷ 60%		<u>111,000</u>	<u>—</u>	<u>7,280</u>	<u>27,600</u>	<u>76,120</u>
Total deferred tax credits offset	(2)	<u>181,000</u>	<u>44,160</u>	<u>33,120</u>	<u>27,600</u>	<u>76,120</u>
Difference [(1)-(2)]	(3)	<u>205,400</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	205,400
Deferred tax credits that will reverse beyond the carryforward period for 1980 investment tax credits <sup>9</sup>	(4)	<u>—</u>				<u>—</u>
Existing net deferred tax credits available for offset under paragraph 3 [(3) – (4)]		<u>\$205,400</u>				<u>\$205,400</u>

Paragraph 3 specifies that only net deferred tax credits that have not been previously offset and that will reverse during the investment tax credit carryforward period shall be offset by investment tax credit. The above computation disregards any timing differences that may originate in that carryforward period. Hence, identification of specific timing differences is necessary.

22. The computation of deferred tax credits available for offset in 1981 is as follows:

	<u>Total</u>	<u>Timing Differences Originating In</u>				
		<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Timing differences (paragraph 17(c) <sup>10</sup> )	<u>\$1,030,000</u>	<u>\$84,000</u>	<u>\$64,000</u>	<u>\$54,000</u>	<u>\$408,000</u>	<u>\$420,000</u>
Deferred tax credits at average rate <sup>11</sup>	(1) <u>\$ 473,800</u>	<u>\$38,640</u>	<u>\$29,440</u>	<u>\$24,840</u>	<u>\$187,680</u>	<u>\$193,200</u>
Deferred tax credits considered to have been previously offset: <sup>12</sup>						
Investment Tax Credit <u>Recognized</u>						
Pre-1979 \$35,000 ÷ 50%	70,000	38,640	29,440	1,920	—	—
1979 66,600 ÷ 60%	111,000	—	—	22,920	88,080	—
1980 128,800 ÷ 70%	184,000	—	—	—	99,600	84,400
1980 40,500 ÷ 80% & 90%	<u>46,969</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>46,969</u>
Total deferred tax credits offset	(2) <u>411,969</u>	<u>38,640</u>	<u>29,440</u>	<u>24,840</u>	<u>187,680</u>	<u>131,369</u>
Difference [(1)-(2)]	(3) <u>61,831</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>61,831</u>
Deferred tax credits that will reverse beyond the carryforward period for 1981 investment tax credits <sup>13</sup>	(4) <u>—</u>					<u>—</u>
Existing net deferred tax credits available for offset under paragraph 3 [(3) – (4)]	<u>\$ 61,831</u>					<u>\$ 61,831</u>

**Summary of Investment Tax Credit Recognized But Not Realized and Deferred Tax Account Activity**

23. The computations in paragraphs 18-22 are summarized as follows:

a. Investment Tax Credit Recognized But Not Realized

	<b><u>Investment Tax Credit</u></b>	<b><u>Percentage Limitation</u></b>	<b><u>Deferred Tax Credits Offset</u></b>
As of 1978	\$ 35,000	50%	\$ 70,000
1979			
"With-and-without"	66,600	60	111,000
Offset	<u>—</u>		<u>—</u>
Cumulative subtotal	101,600		181,000
1980			
"With-and-without"	128,800	70	184,000
Offset	<u>40,500</u>	80 & 90	<u>46,969</u>
Cumulative subtotal	270,900		411,969
1981			
"With-and-without"	184,000	80	230,000
Offset	<u>55,648</u>	90	<u>61,831</u>
Cumulative Total	<u>\$510,548</u>		<u>\$703,800</u>

b. Deferred Tax Account Activity

	<b><u>DR</u></b>	<b><u>CR</u></b>	<b><u>Balance</u></b>
1978 assumed (paragraph 16(d))	\$ 35,000	\$119,600	\$ 84,600
1979			
"With-and-without"	66,600	276,000	
Offset	<u>—</u>	<u>—</u>	294,000
1980			
"With-and-without"	128,800	184,000	
Offset	<u>40,500</u>	<u>—</u>	308,700
1981			
"With-and-without"	184,000	230,000	
Offset	<u>55,648</u>	<u>—</u>	<u>\$299,052</u>

## Footnotes

FIN32, Footnote 1--See paragraph 9.

FIN32, Footnote 2--Paragraph 17 of Interpretation 25 specifies that unused investment tax credit related to property acquired in fiscal years beginning before December 16, 1978 shall be accounted for in accordance with the enterprise's method of accounting for unused investment tax credit in those years.

FIN32, Appendix A, Footnote 3--Prior to the Revenue Act of 1978, the statutory limitation was 100 percent of the first \$25,000 of federal income taxes payable plus a percentage of the remaining federal income taxes payable. That Act changed the percentage limitation applicable to the remaining federal income taxes payable as follows:

<u>Fiscal Year</u> <u>Ending In</u>	<b>Percentage Limitation for Taxes Over \$25,000</b>			
	<b>Most Enterprises</b>		<b>Airlines and Railroads</b>	
	<u>Prior Law</u>	<u>Revenue Act of 1978</u>	<u>Prior Law</u>	<u>Revenue Act of 1978</u>
1978	50%		100%	
1979	50	60%	90	90%
1980	50	70	80	80
1981	50	80	70	80
1982	50	90	60	90
1983 and thereafter	50	90	50	90

FIN32, Appendix B, Footnote 4--The first \$25,000 of federal income tax payable may be completely offset by investment tax credit, but the complications involved and additional record keeping that would be necessary would generally cause the cost to exceed the benefit from the greater precision.

FIN32, Appendix B, Footnote 5--In 1980, the existing net deferred tax credits at the beginning of the year available for offset at the end of the year relate to the 1979 originating timing difference in the amount of \$612,000. The offset limitation based on existing net deferred tax credits available for offset is determined as follows:

<b>A</b>		<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
<b>Reversal of Timing Difference (paragraph 17(a))</b>		<b>Deferred Tax Credits (paragraph 21)</b>	<b>Deferred Tax Credit Considered to have been Previously Offset (paragraph 21)</b>	<b>Difference (B - C)</b>	<b>Limitation Rate in Year of Expected Reversal</b>	<b>Offset Limitation (E x D)</b>
<b>Year</b>	<b>Amount</b>					
1981	\$204,000	\$ 93,840	\$76,120	\$ 17,720	80%	\$ 14,176
1982	204,000	93,840	--	93,840	90	84,456
1983	204,000	93,840	--	93,840	90	84,456
	<u>\$612,000</u>	<u>\$281,520</u>	<u>\$76,120</u>	<u>\$205,400</u>		<u>\$183,088</u>
	=====	=====	=====	=====		=====

Because the investment tax credit recognized by offset is limited to \$40,500, the deferred tax credits considered offset by the \$40,500 is determined as follows:

<b>Investment Tax Credit Recognized</b>	<b>Deferred Tax Credits Offset</b>
\$14,176 ÷ 80%	\$17,720
<u>26,324 ÷ 90%</u>	<u>29,249</u>
<u>\$40,500</u>	<u>\$46,969</u>
=====	=====

FIN32, Appendix B, Footnote 6--Represents the amount of timing differences originating prior to the beginning of the period that are still in existence at the end of the period. Originating timing differences (current period) are offset in the "with-and-without" computation and are not eligible for additional offset.

FIN32, Appendix B, Footnote 7--The average rate that is applied to the timing differences is calculated as the balance in the deferred tax account plus the total recognized but unrealized investment tax credit divided by the cumulative net timing differences; all at the beginning of the period. The 1980 computation consists of:

$$\frac{\$294,000 \text{ (paragraph 23(b))} + \$101,600 \text{ (paragraph 23(a))}}{\$860,000 \text{ (paragraph 17(b))}} = 46\%$$

FIN32, Appendix B, Footnote 8--The investment tax credit previously recognized is divided by the percentage limitation that was used in determining the amount of investment tax credit recognized. The resultant amount equals the deferred tax credits that have been offset. The total amount of deferred tax credits considered offset is then allocated to deferred taxes on originating timing differences starting with the earliest year, irrespective of when the investment tax credit was recognized. This allocation procedure is necessary because the net change method does not result in the investment tax credit being directly associated with specific originating timing differences.

FIN32, Appendix B, Footnote 9--In 1980, the only deferred tax credits that have not been fully offset relate to timing differences originating in 1979; all reverse within the carryforward period for 1980 investment tax credits.

FIN32, Appendix B, Footnote 10--See footnote 6.

FIN32, Appendix B, Footnote 11--See footnote 7. The 1981 computation consists of:

$$\frac{\$308,700(\text{paragraph 23(b)}) + \$270,900(\text{paragraph 23(a)})}{\$1,260,000(\text{paragraph 17(b)})} = 46\%$$

FIN32, Appendix B, Footnote 12--See footnote 8.

FIN32, Appendix B, Footnote 13--In 1981, the only deferred tax credits that had not been fully offset relate to timing differences originating in 1980; all reverse within the carryforward period for 1981 investment tax credits.