



Dbriefs U

Supplemental Material

The Impact of Tax on Corporate Decision Making — How Its Role is Evolving in Today's Economy

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About the Supplemental Material

Each Dbriefs U webcast is accompanied by teaching material including discussion or homework questions, a learning activity, and related resources. Visit the Dbriefs U Faculty Resources Web site to download this material. For access to the site and more information, contact dbriefsu@deloitte.com.

To request the solutions for this material, email dbriefsu@deloitte.com.

Discussion/Homework Questions

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Identify a recent regulatory issue and describe how it has impacted the corporate tax department.

Name three areas of responsibility for corporate tax departments, other than compliance, and provide some specific responsibilities for each area.

Describe the “resource allocation paradox” and the issues it raises for the corporate tax department.

What could you do now, and once you join a company, to develop your skills so that you would be qualified to be a corporate tax director?

Activity

To request the solutions for this material, email dbriefsu@deloitte.com.

Overview

The Role of Tax in Corporate Public Disclosure

Length: 1-2 hours

Type: Individual or team activity

Materials: Activity sheet and solution

Learning Objectives: Understand where to find publicly available public information - 10K and Annual Reports, understand differences between financial statement (GAAP) and taxable income, understand differences between income taxes reported on the income statement and statutory income tax rates, learn and be able to articulate the US Internal Revenue Code applicable to these differences.

Activity: Review the 10-Ks for three Fortune 500 companies and identify and explain differences between effective tax rates and statutory tax rates per the income tax footnote for 2006.

Activity

The Role of Tax in Corporate Public Disclosure

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The Federal statutory income tax rate for large corporations is 35%. However, most corporations report a provision for income tax on their financial statements that differs from a rate of 35% applied to income before taxes.

Locate the income tax footnote for the following companies and identify 2-3 reconciling differences between taxes at the statutory rate and the actual income taxes reported in the financial statement and explain why such differences occur.

Berkshire Hathaway Inc. (12-31-08 10-K)

The Coca-Cola Company (12-31-08 10-K)

Microsoft Corporation (6-30-09 10-K)

Related Resources

To access these materials, visit www.deloitte.com/us/dbriefsu.

Driving a More Valuable Contribution from the Corporate Tax Function, CFO Research Services in collaboration with Deloitte Tax LLP (November 2007 research report)

What Do Companies Want from the Corporate Tax Function?: CFO and Tax Executives' Perspectives on Corporate Tax, CFO Research Services in collaboration with Deloitte Tax LLP (2006 research report)

Full text of the Sarbanes-Oxley Act of 2002 (online PDF)

Spotlight on Sarbanes-Oxley Rulemaking and Reports (webpage)

PCAOB Rulemaking Docket 017 – Ethics and Independence Rules Concerning Independence, Tax Services and Contingent Fees (webpage)

Sarbanes-Oxley Information, Deloitte Tax LLP (webpage)

The Risk Intelligent Tax Executive, Deloitte Tax LLP (Deloitte report)

Webcast Poll Questions

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Question

What external forces have driven change within the tax function in the last year?

- New accounting requirements (e.g., ASC740 {FAS 109, FIN 48}, etc.)
- Sarbanes-Oxley
- Mergers, acquisitions, and divestitures
- Closer oversight from taxing authorities
- Organizational restructuring
- All of the above

Question

Where do you see opportunities for leveraging tax expertise in managing risks?

- Better integration of tax reporting and compliance needs in enterprise-wide systems
- Better collaboration between tax and other business units
- Better integration of tax into strategic or operating decisions
- All of the above

Question

Which of the following is an area where tax may play a significant role?

- Building of a new manufacturing facility
- Acquisition of a foreign subsidiary
- Installation of a new ERP (Enterprise Resource Planning) technology
- Development of a new product line
- All of the above

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