Grant Thornton

Tax Accounting Quarterly Update - June 2025

Teaser Video Transcript
Tax Accounting Reminders

So from a tax accounting perspective, just kind of some reminders here that, you know, we're not going to actually account for this until legislations enacted for GAAP purposes.

And as most of you probably know, that enactment date for our purposes for US is when the legislative process is complete. Usually that's just when the President signs the bill, but could also happen in in a veto scenario too. So what does that mean from a quarterly perspective if that happens in Q3, that would be when you would want to re measure deferred as appropriate. If any of that any of these changes impact that and in anything related to that would be treated as discreet for purposes of the quarter on that re-measurement. And also, you know, kind of thinking through, you know, where companies have built DTAs out there have been related to like 163J with it, you know, not having the depreciation and amortization adjustments for the last few years.

Does that trigger and being able to utilize those impact your realizability on that potentially that 163J deferred tax assets? So, you know, obviously thinking through valuation allowance adjustments after the enactment is also something you're going to want to do as well. So those are just a few kind of reminders. I mean, obviously, you know, companies should be prudent and start modeling, you know, kind of what they're seeing and on what that could mean, but actual accounting for it won't happen until quarter of enactment. So with that, maybe I'll pass it back to Kelly and let go from there.

Perfect. Yeah. Thank you so much, Colin and Kyle for both of your insights on the federal legislative outlook. Before we move on to the state developments, I would like to take this chance to remind our audience that if you do have any questions for any of our speakers today, so please use the Q&A feature on your console. Next, Brandon Kravitz will walk us through significant state developments.