



## FASB | IASB Joint Education Meeting

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Project	Targeted Improvements to Income Tax Disclosures
Topic	Overview
Contacts	Lucy Cheng ( <a href="mailto:lcheng@fasb.org">lcheng@fasb.org</a> ) Jenifer Wyss ( <a href="mailto:JJWyss@fasb.org">JJWyss@fasb.org</a> ) Jennifer Kimmel ( <a href="mailto:jkimmel@fasb.org">jkimmel@fasb.org</a> ) Alex Casas ( <a href="mailto:acasas@fasb.org">acasas@fasb.org</a> )

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# Background

## Project Objective

To improve the transparency and decision usefulness of income tax disclosures.

## Project Scope

Focus primarily on the following income tax information:

- (a) income taxes paid
- (b) the rate reconciliation table.

# Potential Disclosure Improvements

## Income Taxes Paid

### Jurisdiction Approach

*The disclosure of income taxes paid could be disaggregated by jurisdictions, in addition to income taxes paid disaggregated between federal, state, and foreign.*

- Top Jurisdictions, such as top 5 or 10 by amount of income taxes paid, or
- Quantitative Threshold, such as 5% or 10% of total taxes paid

# Potential Disclosure Improvements

## Rate Reconciliation

### Quantitative Threshold

*A quantitative threshold could be established and any reconciling items greater than this threshold would need to be separately disclosed in the rate reconciliation table.*

### Specific Categories

*A list of specific categories could be prescribed and required to be separately disclosed in the rate reconciliation table, such as foreign tax rate differential by top jurisdictions, state and local income tax (net of federal income tax effect) by top jurisdictions, effect of cross-border tax laws by nature, etc.*

**Note:** *The two potential approaches are not mutually exclusive.*