From the tax rule to the difference

MODULE 4 / ORIGINAL TAX-BASE EXAMPLES / 1 OF 2

Assume a 30% tax rate and probable recovery for the DTAs shown. No recognition exception applies. Tax rules in each row are explicit assumptions.

Item and tax assumption	CA	TB	Difference / tax effect
Machine: cost 96,000; accounting depreciation 24,000; tax depreciation 38,000	72,000	58,000	Taxable 14,000; DTL 4,200
Interest received later, taxable on receipt; no deduction	2,400	0	Taxable 2,400; DTL 720
Insurance prepaid, fully deducted on payment	5,000	0	Taxable 5,000; DTL 1,500
Inventory: tax cost 18,000; write-down not yet deductible	15,500	18,000	Deductible 2,500; DTA 750
Research expensed; full 12,600 deductible later	0	12,600	Deductible 12,600; DTA 3,780
Warranty fully deductible when settled	7,600	0	Deductible 7,600; DTA 2,280
Provision 8,000: only 5,000 deductible on settlement	8,000	3,000	Deductible 5,000; DTA 1,500
Advance receipts already fully taxed	7,000	0	Deductible 7,000; DTA 2,100
Fine payable, never deductible	2,400	2,400	No temporary difference

Receivable check: gross 36,000 less allowance 2,200 gives CA 33,800. If sales were already taxed and allowance is deductible only on write-off, TB 36,000 gives DTA 660. If tax allowed the allowance now, recalculate.

Do not aggregate these examples into one entity. Each row illustrates its own assumed facts. Recognition limits and exemptions remain separate tests.

CPA Australia FR study guide, sixth edition (October 2022), Module 4. Original Accounting Ahead examples and workings. Guide pp.168 - 177. AASB 112 (June 2021 amendments), paragraphs 7 - 10, 15, 24 - 26.

Your deferred-tax worksheet

MODULE 4 / BLANK WORKING PAPER / 2 OF 2

Entity: _____ Date: _____ Rate(s): _____

Tax-rule assumptions / expected recovery: _____
_____

Item / asset or liability	CA	TB	Taxable difference	Deductible difference	DTA	DTL
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____
_____	____	____	____	____	____	____

Opening to closing: separate the destination

Movement	DTA	DTL
Opening balance	_____	_____
Profit or loss	_____	_____
OCI / direct equity	_____	_____
Acquisition / other	_____	_____
Closing balance	_____	_____

DTA evidence / unrecognised amounts: _____
_____

Journal check: total debits _____ = total credits _____.
Offset conditions met? _____ Disclosure needed? _____

CPA Australia FR study guide, sixth edition (October 2022), Module 4. Original Accounting Ahead examples and workings. Original reusable worksheet. IAS 12 paragraphs 7 - 10, 24, 47 - 56, 58 and 61A. Blank lines are intentional writing space.