Income Statement Approach

Accounting Income (PAS) xx
Permanent Differences:
   Non-taxable Revenue (xx)
   Non-deductible Expense xx
Accounting Income Subject to Tax xx

Total Income Tax Expense

Temporary Differences:
   Future Taxable Amount (xx) X Current or Future = (Deferred Tax Expense)
   Future Deductible Amount xx X Enacted Tax Rate = Deferred Tax Benefit
Taxable Income xx X Current Tax Rate = Current Income Tax Expense

*Future Taxable Amount = Taxable Temporary Difference
*Future Deductible Amount = Deductible Temporary Difference
*Accounting Income PAS = Pretax Financial Income

Statement of Financial Position Approach
- CV vs Tax Base
- Direct Computation: DTL and DTA