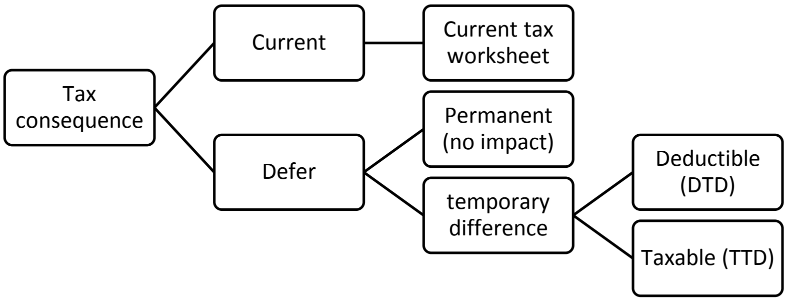
1. Logic:

   Step 1: tax payable

   Step 2: Difference

   Step 3: tax expense



2. $\text{Tax payable} = \text{tax profit} \times \text{tax rate}$

   $$\text{tax profit} = \text{accounting profit} + \text{expense(not deductible)} + \text{assessable(not revenue)} - \text{revenue(not assessable)} - \text{deductible(not expense)}$$

   Dr Income tax expenses
   Cr Income tax payable

3. Difference

   - DTD (DTA): **in future**, it is **revenue but not assessable** *OR* **deduction but not** expense (e.g. accrued expenses; unearned revenue)
   - TTD (DTL): **in future**, it is **assessable but not revenue** OR a **expense but not deductible** (i.e. prepayments, interest receivable)
   - TB
     - TB for Asset: the amount that will be deductible (carried amount)

       CA > TB → DTL; CA < TB → DTA
     - TB for Liability: CA – the amount will be deductible (rev. received in advance)

       CA > TB → DTA

Asset	**DTL (TTD)**	**DTA (DTD)**
	Prepaid expense	Allowance for doubtful debt
	Accrued revenue	Inventory NRV write down
	NCA with decelerate dep.	NCA with accelerate dep.
Liability	**DTA (DTD)**	
	Accrued expense	
	Unearned revenue	

   - General journals: only adjust expenses

   Dr Income tax expenses
   Cr Defer Tax Liability

   Dr Defer Tax Asset
   Cr Income Tax Expense

4. Revaluation: