

## APIC Pool

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Accounting for Share Based Stock Options under FAS 123R is easier said than done. The tax computations are especially challenging because they require each exercise to be tracked separately, overwhelming most spreadsheet solutions. The answer lies in a database product that provides control over this volume of data.

FAS 123R impacts many aspects of the tax provision and new requirements such as the APIC pool. TaxStream allows you to track all the components of FAS 123R from the amortized book compensation expense, the appropriate tax deductions for share based exercises, the tax benefits and detriments impact the deferred tax assets, the possible impact on the effective tax rate and the rollforward of the APIC pool.



**APIC Pool Rollforward** – All the components of the APIC pool can be viewed in TaxStream on a pretax, federal or state basis. Like all TaxStream reports, the data is shown at the unit, sub-consolidated and consolidated levels to clearly understand your company's beginning and ending balances and the activity. The APIC pool automatically rolls over from period to period and clearly displays the impact of tax benefits and tax detriments, intercompany reclasses and other adjustments on the APIC pool.

**Share-based Compensation Expense and Deferred Tax Assets** – Automate the reversal of the book amortization of compensation expense from your general ledger via the bridge and TaxStream will automatically build the deferred tax assets for post-adoption FAS 123R grants.

**Tax Deduction for Share-based Exercises** – Compute the tax deduction for exercised options to account for the impact on the provision and offset the deferred tax asset from the addback of prior compensation expense. TaxStream will store all transactions and exercises to substantiate the tax deduction.

**Tax Benefits and Tax Detriments** – TaxStream will compute the tax benefits and detriments related to each exercise, updating the APIC pool and the deferred tax accounts. TaxStream allows for pre and post-adoption transactions to ensure that allocation issues are properly reflected in the tax accounts.