The Impact of IFRS Adoption on Corporate Income Taxation: A review of literature

Dr. Siriyama Kanthi Herath
Associate Professor in Accounting
School of Business Administration
Clark Atlanta University
223 James P Brawley Drive
Atlanta GA 30314 SW, USA

Amani Melvin
School of Business Administration
Clark Atlanta University
223 James P Brawley Drive
Atlanta GA 30314 SW, USA

Abstract

In the United States, as well as in other countries the adoption of International Financial Reporting standards marks a dramatic shift in some accounting principles. The purpose of this research is to identify the impact of International Financial Reporting Standards adoption on Corporate Income Taxation (IFRS). IFRS is a set of accounting standards developed by the International Accounting Standards board, with the intent of these standards being able to be applied on a global basis consistently. This research will examine the effect on corporate taxation based on the ongoing convergence project of the International Financial Reporting Standards. In particular this research will examine IFRS effects on United States companies, based on the differences aligned in United States Generally Accepted Accounting Principles. This research, through the review of literature from major accounting journals will further investigate the impact, if any, on Corporate Income taxation calculation, and reporting, for entities that are currently operating under the Generally Accepted Accounting Principles (GAAP).

Introduction

The International convergence of accounting standards has been an on-going project since the 1950s in response to post World War II. The concept of convergence refers to the goal of establishing a single set of accounting standards that will be used internationally developed by the International Accounting Standards Board (Gill, 2007). However, converging the U.S. generally accepted accounting principles with IFRS seems to be a work in process for many reasons. Regards to corporate taxation, the question arises whether "IFRS could be used for tax purposes (Gill, 2007)?" International accounting literature provides evidence that using IFRS as a global tax base has many implications on accounting quality, and comparative financial statements. According to Tskumis, "Under a low level of conformity between the tax and the accounting rules, the tax rules diverge significantly from the accounting rules, allowing managers to plan complicated tax avoidance activities with little effect on book earnings (Tskumis, 2009)." This is primarily because financial accounting and taxation have different purposes and goals. The goals of an effective tax plan strategy are to raise revenue, and for a company to conduct activities in a fashion that maximizes their after-tax profit while minimizing their taxes paid to the government. The goals of accounting involve preparing information for the purposes of decision making and recording factual information for external parties. Where there appears to be little book tax conformity managers take more ownership and control over their work.

According to *International Journal of Business and Social Science*, "for a tax system to operate successfully within the law, it requires a degree of certainty that may not always be appropriate for financial and commercial accounting". Furthermore, there may be alternative methods of preparing accounts that are equally acceptable in terms of accounting standards, but the choice of which might be inappropriately influenced by taxation implications (Fakile, 2009)." There is no single path to convergence, because it requires changes in the U.S. and the international standard (Herrmann, 2006). As the FASB and the IASB try to create a converged standard U.S. GAAP may not always be superior, and sometimes results in neither the adoption of the international standard or the U.S. GAAP standard but a new converged standard (Herrmann, 2006). Also, the coexistence of two of two sets of accounting standards, IFRS and GAAP, creates bigger problems with the basic principles of taxation, such as for example, neutrality, simplicity and legal certainty (Fakile, 2009). Nowadays, companies are diversifying their businesses by tapping into the global economies that lie beyond the walls of its country of origin.

As the companies expand, becoming more global, there exists a constant effort to also maintain their competitive advantage amongst both foreign and domestic competition (Fakile, 2009). A movement towards IFRS means that corporate income will now be taxed based on a value based approach rather than transaction based. However, the constant goal to move toward the adoption of international financial reporting standards as the set of globally accepted principals seems to not be able to keep up with the ever-changing economy (Fakile, 2009). Shall IFRS be used as a tax base across the globe this will raise many accounting concerns. Since there are many differences between IFRS and GAAP accounting for taxable earnings and profits, foreign source income, investments in subsidiaries, and computation of permanent and temporary differences. This paper is organized as follows (Fakile, 2009). First we will examine and understand the concept of International Financial Reporting Standards and what served as a catalyst to begin this road to convergence. Then we investigate the effect of IFRS adoption on the quality of accounting information. Furthermore we will research the differences between accounting and taxation, and address the arguments about IFRS and taxation existing dependent and independent of one another. Lastly, we will address the areas of financial reporting (e.g. revenue recognition, revaluation of PPE, and sale and leaseback transactions) that would be significantly impact corporate income by IFRS serving as the tax base.

Section 1. Literature Review

1.1 Understanding the concept of International Financial Reporting Standards

As the world has become more and more connected, there has been an effort to create one set of standards that would be more recognizable to the world (Christian & Kohlmeyer III, 2009). The United States and other developed nations had processes set in place to establish accounting standards, however there were countries that lacked the resources and capability to develop their own standards (Christian & Kohlmeyer III, 2009). The standard setting process dates back to 1973 with the International Accounting Standards Committee (IASC) (Christian & Kohlmeyer III, 2009). The IASC developed a set of standards that were recognized throughout the world, but in 2001 with the creation of the International Accounting Standards Board (IASB) the process accelerated (Christian & Kohlmeyer III, 2009). In 2002, the European Union passed legislation to adopt IFRS, and shortly after the Securities and Exchange Commission announce its support of the Norwalk Agreement (Christian & Kohlmeyer III, 2009). This agreement established a joint committee between the FASB and the IASB to develop compatible standards that could be used domestically and internationally for financial reporting (Christian & Kohlmeyer III, 2009). The international standard setting process became an effort to develop a set of common standards because the developed nations realized the importance of comparability, and transparency for investors, regulators, large companies and auditing firms worldwide (Christian & Kohlmeyer III, 2009).

Today, The International Financial Reporting Standards (IFRS), also known as the International Accounting Standards, is a set of accounting standards issued by an independent, not-for-profit organization called the International Accounting Standards Board (IASB). Also according to Gill, IFRS is intended to be a more principles-based set of standards rather than the rules based approach of U.S. GAAP (Gill, 2007). IFRS focuses more on the business or economic purpose of a transaction and the underlying rights and obligations instead of providing prescriptive rules. According to Herrmann, the ongoing convergence project is the result of an agreement between the FASB and IASB to make financial reporting standards consistent and make financial statements more transparent to respond the complexities of the growing global market (Herrmann, 2006). The adoption of the International Financial Reporting standards as a basis for financial reporting in the United States, serves as a catalyst for adopting, and issuing the highest quality possible converged standard as possible.

The adoption of IFRS does not always mean choosing U.S. GAAP or IFRS, it means issuing a guidance that combines the guidance/rules from either standard to issue a sometimes better quality standard (Herrmann, 2006).

IFRS also according to Abedana, are principles, bases, conventions, rules and practices applied by an organization through recognizing, selecting measurements basis for and presenting assets, liabilities, gains and losses to shareholders funds (Abedana, 2016). Also, according to Abedana, IFRS are set up to harmonize accounting procedures globally. International Accounting Standard 1 (1) requires an entity to select and apply the appropriate accounting policies complying with IFRS, to ensure that the financial statements provide information that are relevant to the external users (Abedana, 2016). However, according to Tsakumis *IFRS: Beyond the Standards* research suggests that differences in cultures cause accountants to interpret and apply accounting standards differently in different countries (Tsakumis, 2009). Thus concluding there is a national culture of conservatism and secrecy, which have direct impacts on measurement and disclosure on financial statements, and as a result impacting the global comparability of financial statements (Tsakumis,2009).

1.2 IFRS and Quality of Accounting Information

A study once done by social psychology researcher Geert Hofstede, he collected data on the cultural values from about 116,000 employees of multinational companies located in 50 countries and three different regions (Tsakumis & Campbell, 2009). Hofstede concluded four cultural dimensions helped explain similarities and differences in cultures. The three dimensions he found are uncertainty avoidance, individualism, achievement orientation and power distant. This culture framework Hofstede found as a result of research can be used to explain SEC's concern, "proper application encompasses not only faithful adherence to the requirements of the standards, but also understandable standards such that across the spectrum of issuers those requirements are consistently understood and applied (Tsakumis & Campbell, 2009)." So from an accounting view, high conservatism culture will have the tendency to defer recognition and items that increase net income, and vice versa. From Hofstede's research high conservative culture also have high uncertainty avoidance, how comfortable individuals in a society feel with uncertainty and ambiguity, low individual achievement, loosely knit social fabric, and low achievement orientation, or how much performance and visible achievement are emphasized. High secrecy has the tendency to restrict the disclosure of relevant information to external users.

High levels of secrecy are associated with high uncertainty avoidance and power distance, and low individualism and achievement orientation (Tsakumis & Campbell, 2009). So in conclusion from this research according to IFRS: Beyond the Standards, the accountant level of conservatism and secrecy in their culture will determine how the standards are applied (Tsakumis & Campbell, 2009). Thus, national culture will most likely influence the application of financial reporting where judgment is applied, being a concern of IFRS since it is majority principle based requiring a substantial amount of judgment on the accountant (Tsakumis & Campbell, 2009). Findings in this research suggest that wherever professional judgment is required, the culture will play a significant role in how accountants interpret of apply IFRS, leading to inconsistent interpretation, differences in financial statements, and severely impact the comparability of financial statements across countries and quality (Tsakumis & Campbell, 2009). This training will help companies by helping employees become aware of potential biases held by international colleagues, and help them identify their own accounting biases to understand how this effects interpretations and judgments (Tsakumis & Campbell, 2009). To conclude the findings of the research some opponents of the adoption of IFRS as the single set of reporting standards says that the standards do not accommodate the differing political, social, and cultural features of every jurisdiction (Abedana, 2008).

Given the problems resulting from culturally differences that may arise, it is important for multinational companies to strengthen their cultural awareness training programs.

Overall the evidence to support whether or not accounting quality is significantly improved by the elimination of alternate accounting methods are mixed (Samuel, 2013). Studies applying more recent data find better accounting quality among firms who adopt IFRS (Samuel, 2013). However, most early research was done among voluntary adopters, which suffer from selection bias, so this raises a question as to whether you can attribute the improved accounting quality to IFRS or is it a result of a number of factors implemented by the adopting firms (Samuel, 2013).

1.3 Purpose of Accounting and Taxation

The relationship between accounting and taxation, the purposes and requirements of commercial accounting principles are not always the same. Accounting involves preparing information for the purposes of decision-making and may require interpretation, as well as recording factual information (Samuel, 2013). The main purpose of tax is to raise revenue but it is also an instrument of government economic and social policy. Tax is usually defined as a mandatory, non-refundable and non-equivalent payment to a public budget made for an unspecified purpose (Molín, Jan & Simona Jirásková, 2014).

One study concluded that taxation might deviate from accounting concepts of income for many reasons because tax provisions exist for economic reasons and don't necessarily mean that they will coincide with the purpose of accounting since the government may be taking in account a wider public interest (Samuel, 2013). According to an article by Abedana, in a case before the supreme court, *Thor Power Tools Company v. Commissioner of Internal Revenue*, it was made clear that the requirements of the tax system are different from accounting. This case was surrounding issues involving inventory accounting procedures and additions bad debt reserves that an accountant might be conservative for commercial reasons than was appropriate for taxation purposes. It was stated that:

> The primary goal of financial accounting is to provide useful information to management, shareholders, creditors, and others properly interested; the major responsibility of the accountant is to protect these parties from being misled. The primary goal of the income tax system, in contrast, is the equitable collection of revenue; the major responsibility of the Internal Revenue Service is to protect, maintain and expand sources of revenue for public finance. Consistently with its goals and responsibilities, financial accounting has as its foundation the principle of conservatism, with its corollary that 'possible errors in measurement [should] be in the direction of understatement rather than overstatement of net income and net assets'. In view of the Treasury's markedly different goals and responsibilities, understatement of income is not destined to be its guiding light. Given this diversity, even contrariety of objectives, any presumptive equivalency between tax and financial accounting would be unacceptable (Samuel, 2013, pp.171).

So while it is true that some taxation measures might be to improve economic decision-making, others are implemented for very different reasons. Therefore there might be modifications in income before arriving at the appropriate tax figure for taxation purposes (Samuel, 2013). Taxation is imposed by specific rules, and companies are required to pay taxes to the extent the law requires them to do so (Denning, 2004). The form of the transaction is more important for taxation than for accounting. Compared to the IFRS an accounting principle based approach, which follows a "substance over form" view (Denning, 2004). Therefore, the differing viewpoints from commercial accounting and taxation will generate conflict about interpretation.

1.4 Effects of IFRS adoption on Taxation of Companies

The effect of International Financial Reporting Standards on corporate taxes and tax policy is an important debate (Hail, Leuz, & Wysocki, 2010). The SEC provides two primary arguments for IFRS adoption by U.S. Issuers; 1) allows U.S. companies' financial statements to have a greater comparability with non-U.S. companies and, 2) allows U.S. issuers greater opportunity to compete globally (Rahr, K., Karim, K. E., & Rutledge, R. W., 2010). The results of a study conducted in 17 European countries IFRS adoption revealed that both accounting convergence and higher quality information under IFRS are likely drivers of the improvement of comparability (Rita W. Y. Yip & Danqing Young, 2012). Academic research has supported the idea that a country's financial reporting system and its financial reporting system is associated with higher quality reported accounting numbers (Hail, Leuz, & Wysocki, 2010). To understand however how relevant IFRS is from a tax perspective for companies depends on 3 factors, assuming there were no changes in the tax legislation (Fakile, 2013). The first factor is to what extent is financial accounting related tax accounting in that country. Secondly, has the country choose to use the "full IFRS" option for annual accounts, and thirdly, to what extent does the national accounting standard setters in that country take into account IFRS when preparing to issue new standards (Fakile, 2013). Fakile, says that countries where there are no connection between tax accounting and financial accounting there will be no significant impact, but in contrast in countries where there is some degree of connection there will be multiple outcomes and effects (Fakile, 2013).

According to Nevius, *How Will IFRS affect tax practitioners?* Converting financial statements to one reporting standard to another will have implications beyond just book accounting, it will also be important for tax preparers to understand the differences between the old book reporting method and the IFRS reporting method ensure proper treatment (Nevius, 2008). Thus for items that currently are treated the same for book and tax purposes as a result of the implementation of new standards companies will have to determine how to continue using the historical method (Abedana, 2008).

According to Abedana, conversion to IFRS will affect the calculation the parent basis in its foreign subsidiaries and influence cash repatriation plans. Planning for these effects should involve an analysis of the tax results before and after IFRS conversion. Thus changing the global standards will potentially result to consequences on tax planning efforts of firms in certain jurisdictions. So adopting IFRS would change the structure and the content of financial statements (Abedana, 2008). A change to IFRS would also effects certain tax calculations on the financial statements (Hail, Leuz, & Wysocki, 2010).

There are some key areas that will cause conflict with companies applying IFRS with tax laws. International Financial Reporting Standards differs from United States Generally Accepted Accounting Principles in areas such as revenue recognition, leases, asset impairments, classification and measurements of financial instruments, hedging activities, and stock based compensation (Hail, Leuz, & Wysocki, 2010). One conflict that may arise are the timing of income and expense recognition for tax purposes, because under IFRS profits are recognized on a realized basis and for tax on an accrual basis (Denning, 2004). The amounts and transactions are recorded at historical cost under IFRS and tax rules usually follow the actual cost (Denning, 2004). These are all significant impacts to companies' financials if IFRS was implemented and used as a tax base, but the degree of impact however depend on how incorporated national GAAP incorporates IFRS accounting principles. Also certain tax planning measures such as transfer pricing and cost allocation across jurisidictions will be affected by the transition to IFRS (McGowan, J. R., & Wertheimer, M., 2009)

Another difference that arises when examining the tax effects on companies under International Financial Reporting Standards is to consider that LIFO (Last In, First Out) inventory valuation method is not allowed under IFRS, but is permitted under United States tax law for financial reporting purpose (Hail, Leuz, & Wysocki, 2010). United States companies using LIFO valuation would bear a greater tax burden due to the switch of inventory methods, if there are not any changes to the current tax legislation (Hail, Leuz, & Wysocki, 2010).

The key question that may arise when identifying the effects of IFRS adoption on tax accounting from a theoretical point of view is, should accounting move from a transaction based approach to a value based approach (Samuel, Samuel, & Obiamaka, 2013). Indeed there are some proponents as well as opponents of International Financial Reporting Standards serving as the tax base. Some arguments in favor of IFRS as the tax base, says that this will bring a company's tax basis closer to "real economic income" (Samuel, Samuel, & Obiamaka, 2013). Arguments against moving toward a value-based approach are that, fair value accounting is subjective, and not easy to control for tax purposes (Samuel, Samuel, & Obiamaka, 2013). Also implementing IFRS will lead to a situation where a company's unrealized income becomes taxable, and affect the liquidity of companies (Samuel, Samuel, & Obiamaka, 2013). In addition, the IFRS standards are complicated and difficult to interpret and understand, and with the complexity of the standards, and more subjective judgment that has to be made due to the lack of understanding, will result in the risk of more tax disputes for companies (Samuel, Samuel, & Obiamaka, 2013).

Since there is a substantial amount of political and economic factors that influence the financial reporting practice, and the absence of a worldwide enforcement mechanism for international standards 'IFRS adoption' is still very unclear (Samuel, Samuel, & Obiamaka, 2013). Since there is no way to implement IFRS evenly across the globe this leads to uneven implementation, and the extent of implementation lies in the hands of the financial statement preparers and the enforcers (Samuel, Samuel, & Obiamaka, 2013). Ultimately, IFRS are prepared by an independent body the impact of policy is on tax is beyond the control of policy makers. Therefore to understand the effects on corporate taxation one must take into account both political and economic factors (Procházka, 2014).

2 A survey of published research

In conducting this research 20 accounting publications were selected from the years 2006 until 2016. The purpose of the survey of the published research is examine the tax implications of the adoption of International Financial Reporting Standards on corporate taxation across many jurisdictions, and how it relates to the United Sates.

Table 1 Primary sources surveyed for the period 2006-2016

Research journals:
The International Journal of Business Management
Commercial Lending Review
CPA Practice Management Forum
Accounting Ireland
Accounting in Europe
Accounting Horizons
Management Accounting Quarterly
The Tax Adviser
European Financial and Accounting Journal
Journal of Technology Management in China
The Practical Tax Lawyer
The CPA Journal
The Accounting Review
Research Journal of Finance and Accounting
International Journal of Business & Social-Science
The Journal of Accountancy

2.1 Characteristics of published research

There are many similarities and difference among published research about the ongoing convergence projects globally, and the impact on corporate taxation. Something to note about the published research on IFRS effect on corporate taxation is that it varies with where in the world you are concentrating. Thus, making this research both political and economical to reach conclusions on the effect of IFRS adoption on corporate taxation.

Table 2: Published research in IFRS effect on Corporate Taxation 2006-2016 (cont'd)

Study	*Topic*	*Research Sites*
Abedana, Virgil (2016)	Tax Challenges that face the adoption of IFRS by Ghanaian listed firms	Structured questionnaires and semi-structured interviews
Gill, Lawrence (2007)	IFRS effect in America	Prior Research
Denning, B. (2004)	Tax Implications of Adopting IFRS	Prior Research
TSAKUMIS, George (2009)	Examining IFRS beyond the standards	Hofstede's Research
Hail, L., Leuz, C., & Wysocki, P. (2010)	Analyzed the economic and policy factors related to the potential adoption of IFRS by the U.S.	Prior Research from academic literature
Hughes, Susan B,P.H.D., C.P.A., & Sander, James F,P.H.D., C.P.A. (2007)	Differences between IFRS and U.S. GAAP	Prior Research
McGowan, J. R., & Wertheimer, M. (2009).	Effect of IFRS Implementation on Tax	Prior Resarch

Molín, Jan, and Simona Jirásková (2014)	Legal Consequences of the Determination of Corporate Income Tax Base Referring to IFRS	Examination of Czech and study of literature
Nengzih (2015)	Effect of IFRS on Profitability rate	Descriptive statistics analysis of Indonesia Listed Companies
Gilbai, E. (2015)	The relationship between GAAP and tax accounting in countries around the world	Prior Research
Paientko, Tetiana, and Kateryna Proskura (2016)	Corporate income tax evolution, problems & solutions	Historical and Trend Analysis
Rahr, K., Karim, K. E., & Rutledge, R. W. (2010)	Transitioning to IFRS	SEC Research
Rita W. Y. Yip and Danqing Young (*2012*)	Examines whether mandatory IFRS adoption improves information comparability	Accounting data, degree of information transfer and similarity of information
Simona MOLÍN JIRÁSKOVÁ (2007)	IFRS adoption for tax purposes in Czech	Prior Research
Stretch, R. (2006)	Impact of IFRS on corporate tax	Research from E&Y
Samuel Fakile, Faboyede Samuel, and Nwobu Obiamaka (2013)	Examine the divergence of taxation transactions and accounting transactions	Research of International Literature
Procházka, David (2014)	IFRS as Tax Base: Impact on a Small Economy	Prior Research
Christian, C., & Kohlmeyer,James M., I.,II. (2009)	U.S. Adoption of IFRS why is now the right time	Prior Research
Callaghan, Sean & Marie Treacy (2007)	Report on E&Y survey of IFRS to US GAAP reconciliation	Research by E&Y
Nevius (2008)	IFRS effect on Tax Practictioners	Prior Research
Hermann (2006)	How to come up with the new standard	Prior Research

3 Conclusions

According to a survey conducted by Ernst & Young, taxation was the third most reported category of differences between IFRS and U.S. GAAP (Callaghan, Sean & Marie Treacy, 2007). Corporate income tax is one of the most important taxes in acquiring government revenue. In contrast to IFRS, Corporate income taxation is always undergoing changes and evolution because the government is still trying to find an equilibrium point between the interests of the government and taxpayers. Just as the standard setters are trying to find a happy medium between two sets of accounting standards, the government also has to choose the best mechanism for taxation while balancing the interest of the taxpayer and the state (Paientko, Tetiana, & Kateryna Proskura, 2016). IFRS is still not mandatory in the United States. However it is important to note that in the United States accounting profits do not serve as the point of origin for determining taxable income (Gilbai, E. 2015). Federal Income tax is a separate system in the United States. Therefore since, the systems are substantially two separate systems, and adoption of IFRS will bring about very few changes in tax liability (Gilbai, E. 2015). U.S. accountants do need to understand where the differences are likely to occur, and to also adjust for these differences when evaluating companies using IFRS and U.S. GAAP (Hughes, Susan B, & Sander, James F, 2007). They must understand where the differences will apply because the differences will be different across many jurisdictions, because there will be different wording of the tax law and the accounting law (Rita W. Y. Yip and Danqing Young, *2012*). The effect on corporate taxation will largely deal with the lack of understanding, because a survey done of Indonesia companies showed that the amount of profit before tax was no change after the IFRS adoption, which is not consistent with previous research (Nengzih, 2015). According to research carried out by E&Y respondents the results conclude that the greatest areas of tax concerns are calculation and explanation of deferred taxes, impact on effective tax rate, tax treatment of financial instruments and tax treatment of intangible assets (Stretch, 2006). However, as more U.S. GAAP standards become converged there still needs to be more research done on the tax implications if any on the company.

Bibliography

Abedana, Virgil. "IFRS / IAS Adoption and Its Tax Challenges and Management." *The International Journal of Business Management* 4.5 (2016): n. pag. Web. http://poseidon01.ssrn.com/delivery.php?ID=522065105106083108103005125096066096057025068011086037123100092023122115112127005028119028004057029100116101021064068119114005111035004047048071081067126022096104112059047066098100090114001025105103020089029106082122121066079000124106027103115108002115&EXT=pdf

Callaghan, Sean, and Marie Treacy. "Towards Convergence: IFRS to US GAAP Differences." Accounting Ireland 39.6 (2007): 10. Web. 5 Dec. 2017.

Christian, C., & Kohlmeyer,James M., I.,II. (2009). U.S. adoption of international accounting standards: Why now? *Commercial Lending Review,* , 8-13. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/229538427?accountid=8422

Denning, B. (2004). Adopting international financial reporting standards: THE TAX IMPLICATIONS. *Accountancy Ireland, 36*(4), 19-22. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/223177874?accountid=8422

Gilbai, E. (2015). Taxation versus IFRS - investment property as a test case (part 2). *The Practical Tax Lawyer, 29*(2), 5-20. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/1661347129?accountid=8422

Gill, Lawrence. "IFRS: Coming to America." *Journal of Accountancy*. N.p., 2007. Web. 07 Oct. 2016.

Hail, L., Leuz, C., & Wysocki, P. (2010). Global accounting convergence and the potential adoption of IFRS by the U.S. (part I): Conceptual underpinnings and economic analysis. *Accounting Horizons, 24*(3), 355-394. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/751584559?accountid=8422

Herrmann, Don."Convergence: In Search of the Best." *Journal of Accountancy*. N.p., 2006. Web. 07 Oct. 2016. http://www.journalofaccountancy.com/issues/2006/jan/convergenceinsearchofthebest.html

Hughes, Susan B,P.H.D., C.P.A., & Sander, James F,P.H.D., C.P.A. (2007). A U.S. manager's guide to differences between IFRS and U.S. GAAP. *Management Accounting Quarterly, 8*(4), 1-5,7-8. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/222801947?accountid=8422

McGowan, J. R., & Wertheimer, M. (2009). The effect of IFRS implementation on tax. *The Tax Adviser, 40*(12), 842-848. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/194955818?accountid=8422

Molín, Jan, and Simona Jirásková. "Legal Consequences of the Determination of Corporate Income Tax Base Referring to IFRS." *European Financial and Accounting Journal* 2014.4 (2014): n. pag. Web. http://docplayer.net/8842971-Article-legal-consequences-of-the-determination-of-corporate-income-tax-base-referring-to-ifrs.html

Nengzih. "The Adoption of IFRS – Impact on Profitability Rate and Tax Income: Evidence from Companies Indonesia Listed in Indonesian Stock Exhange." *Research Journal of Finance and Accounting* 6 (2015): n. pag. Web. http://www.iiste.org/Journals/index.php/RJFA/article/view/23680/24192

Nevius, Alistair. "How Will IFRS Affect Tax Practitioners?" *Journal of Accountancy* (2008): n. pag. Web.

Paientko, Tetiana, and Kateryna Proskura. "Corporate Income Tax: Evolution, Problems and Possible Solutions." *EA-XXI Economic Annals-XXI* 156.1-2 (2016): 44-48. Web.

Procházka, David. "The IFRS as Tax Base: Potential Impact on a Small Open Economy." *European Financial and Accounting Journal* 2014.4 (2014): n. pag. Web

Rahr, K., Karim, K. E., & Rutledge, R. W. (2010). Transitioning to IFRS. *The CPA Journal, 80*(3), 6-9. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/212280959?accountid=8422

Rita W. Y. Yip and Danqing Young (*2012*) Does Mandatory IFRS Adoption Improve Information Comparability?. The Accounting Review: September 2012, Vol. 87, No. 5, pp. 1767-1789. http://aaajournals.org/doi/abs/10.2308/accr-50192

Simona MOLÍN JIRÁSKOVÁ & Jan. "Impact of the IFRS Adoption for Tax Purposes in the Czech Tax Collection#." *Impact of the IFRS Adoption for Tax Purposes in the Czech Tax Collection#*. N.p., n.d. Web. 28 Sept. 2016.

Samuel Fakile, Faboyede Samuel, and Nwobu Obiamaka. "The Impact of International Financial Reporting Standards on Taxation." *International Journal of Business & Social Science* 4.10 (2013): 169-74. Web.

Stretch, R. (2006). The impact of IFRS on corporate tax. *Accountancy SA,* , 29. Retrieved from https://login.ezproxy.auctr.edu:2050/login?url=http://search.proquest.com/docview/215229782?accountid=8422

TSAKUMIS, George. "IFRS: Beyond the Standards." *Journal of Accountancy*. N.p., 2009. Web. 07 Oct. 2016. http://www.journalofaccountancy.com/issues/2009/feb/ifrsbeyondthestandards.html