

Enron Inc. Federal Income Tax Analysis - J Seida

amounts in millions of dollars

	2000	1999	1998	1997	1996
<i>Reported pretax book income:</i>					
U.S.	640	357	197	96	551
Foreign	773	771	681	(81)	304
Total	1,413	1,128	878	15	855
<i>Reported book income tax expense:</i>					
Current					
Federal	112	29	30	29	16
State	22	6	8	9	11
Foreign	93	48	50	46	37
Total current	227	83	88	84	64
Deferred					
Federal	13	(159)	(14)	(39)	174
State	14	23	11	(42)	(1)
Foreign	180	157	90	(93)	34
Total deferred	207	21	87	(174)	207
Total book income tax expense	434	104	175	(90)	271
<i>Cash paid for income taxes (net of refunds)</i>	62	51	73	68	89
<i>Income tax carryforwards:</i>					
Regular U.S. tax net operating loss (NOL)	65	2,900	1,400	745	222
Alternative minimum tax credit	254	220	238	247	235
Non-U.S. net operating loss	1,200	874	353	300	nr
<i>Implied U.S. taxable income before NOL carry-back or carry-forward^a</i>	2,835	(1,500)	(655)	(523)	(222)
<i>Estimated federal tax payment^b</i>	34	0	0	12	4
<i>Difference between pre-tax book income and implied U.S. taxable income</i>	(1,422)	2,628	1,533	538	1,077
<i>Federal income tax benefits from stock options:</i>	(390)	(134)	(43)	(12)	(19)
<i>Implied federal tax deduction (tax benefit/35)^c</i>	(1,114)	(383)	(123)	(34)	(54)
<i>Deferred tax asset (liabilities):</i>					
Assets:					
AMT credit carryforward	254	220	238	247	235
NOL carryforward	369	1,302	605	361	(a)
Other	189	188	111	218	143
Total deferred tax assets	812	1,710	954	826	378
Liabilities:					
Depreciation, depletion, and amortization	(1,813)	(1,807)	(1,940)	(2,036)	(1,622)
Price risk management activities	182	(1,133)	(645)	(457)	(536)
Other	(963)	(782)	(700)	(588)	(638)
Total deferred tax liabilities	(2,594)	(3,722)	(3,285)	(3,081)	(2,796)
Net deferred tax assets (liabilities)	(1,782)	(2,012)	(2,331)	(2,255)	(2,418)

nr - indicates amount not reported.

^a - the implied U.S. taxable income is computed by examining changes in the NOL c/f amount (the amount for 1996 reflects the minimum reported current year NOL since it is possible some of the 1996 NOL was carried-back to prior years).

^b - the estimated U.S. corporate income tax for 1994, 1996, 1997, and 2000 is due to the alternative minimum tax.

^c - the implied tax deduction for stock option is computed as the stock option tax benefit divided by 35% (i.e., the corporate tax rate). Unless otherwise stated the source for information is Enron's 10-Ks as reported on Enron's website (www.enron.com).