TaxWorkBooks

IAS12 | Workbook sample | 2026 | v1.0

ABOUT THIS SAMPLE

Selected worksheets from an English-language fictional worked example.

CONTENTS

Provision, Rate Rec, FS Note.

SCOPE

This is a demonstration, not a filing-ready return or a statement of complete coverage.

READING THE WORKBOOK

Follow the input instructions and legends on each worksheet.
Actual worksheet colours are preserved in the exported pages.

REVIEW

Check results show the state of this example. They do not establish a tax position.
The original workbook instructions and applicable legislation remain essential.

AVAILABILITY AND LICENCE

Commercial availability, variant contents and licence terms are confirmed separately.
This sample does not grant a licence to the complete workbook.

LIMITATIONS

No tax advice. No return or slip transmission. Figures and identifiers are fictional.
The workbook uses modern Excel functions; platform compatibility requires verification.

Provision — expense by destination, balance sheet, presentation

Template

Reporting entity	Business number	Year end
Example IFRS Reporter Inc.	12345 6789 RC0001	2026-12-31

The expense by destination, the balance sheet view and the presentation under IAS 12.71 and IAS 12.74 of the figures Current Tax and Temp Diffs already compute -- nothing here is a new number. The entry itself is on Tax Accounts (required less booked, per tax account) and Entries; the two totals below link to it.

		Authority
Income tax expense		
Current income tax expense	489,483	IAS 12.80(a)
Deferred tax in profit or loss	3,489	IAS 12.80(c)
Total income tax expense recognised in profit or loss	**492,972**	IAS 12.79
Memo: effective tax rate	26.6471%	
Tax outside profit or loss		
Tax recognised in other comprehensive income (OCI)	(2,650)	IAS 12.61A(a)
Tax recognised directly in equity	0	IAS 12.61A(b)
Statement of financial position		
Gross deferred tax assets	894,750	
Gross deferred tax liabilities	562,164	
Net deferred tax liability (asset) -- one net balance	(332,586)	IAS 12.74
Net deferred tax liability (asset) at the prior year-end, per last year's balance sheet (Prior Year)	(333,425)	
Income taxes payable (receivable), including the IFRIC 23 provision	204,483	
The entry -- derived on Tax Accounts (required less booked), laid out on Entries		
Entry -- total debits (Entries)	218,644	
Entry -- total credits (Entries)	218,644	
Presentation -- IAS 12.71 and IAS 12.74		
Current tax liability	204,483	IAS 12.71
Current tax asset (receivable)	0	IAS 12.71
Deferred tax liability -- one net balance	0	IAS 12.74
Deferred tax asset -- one net balance	332,586	IAS 12.74
Prior-year comparatives (Prior Year)		
Prior-year current income tax expense	355,000	
Prior-year deferred tax in profit or loss	22,000	
Prior-year tax in other comprehensive income	8,000	
Prior-year tax in equity	0	
Prior-year net income before income taxes	1,620,000	

Checks

✓ Opening net deferred per the prior-year balance sheet plus the year's deferred tax by destination equals the closing ledger balance	OK	(332,586)	(332,586)
✓ Current expense agrees to Current Tax (overtype guard)	OK	489,483	489,483
✓ Deferred expense agrees to Temp Diffs (overtype guard)	OK	3,489	3,489
✓ The opening balance and the comparatives agree to Prior Year (overtype guard)	OK	1,671,575	1,671,575

Rate Reconciliation — IAS 12.81(c), as a proof

Template

Reporting entity	Business number	Year end
Example IFRS Reporter Inc.	12345 6789 RC0001	2026-12-31

Authority

Current Tax carries every temporary movement at the general rate; the ledger carries the same movements at the class rate. What survives when the two are added is exactly the list of lines below -- a residual means an inconsistent input, not a rounding slip. IAS 12.81(c).

Accounting income before income taxes (Current Tax)	1,850,000
Blended general rate (Ref)	26.5000%
Home-province combined rate (Ref)	26.5000%

Reconciliation of income tax expense -- IAS 12.81(c)					
Income tax at the blended statutory rate	490,250	26.50%			IAS 12.81(c)
Permanent differences	15,900	0.86%			IAS 12.81(c)
Capital items measured at the capital rate	(3,975)	-0.21%			IAS 12.51
Deferred tax on items outside taxable income	0	0.00%			IAS 12.58
Remeasurement of opening deferred balances (rate changes, scheduled reversals), net of the prior-year deferred adjustment, excluding recognition changes but keeping their rate effect	2,197	0.12%			IAS 12.60; IAS 12.80(d)
Unrecognised deferred tax assets at the prior year-end, per last year's note (Prior Year)	45,580				IAS 12.81(e)
Change in unrecognised deferred tax assets, excluding expiries (prior-year figure restated at this year's general rate)	(6,360)	-0.34%			IAS 12.80(g)
Expiry of recognised loss carryforwards	6,360	0.34%			IAS 12.37
Uncertain tax treatments	26,000	1.41%			IFRIC 23.11
Prior-year adjustments, current and deferred	6,700	0.36%			IAS 12.80(b)
Investment tax credits (IAS 12 policy): credits arising x (1 - general rate)	(44,100)	-2.38%			ITA 127(5); ITA 12(1)(t)
Small business deduction	0	0.00%			ITA 125(1)
Other reconciling items (type)	0	0.00%			
Total income tax expense as reconciled	**492,972**				
Total income tax expense per Current Tax and Temp Diffs	**492,972**				
Unexplained difference	0				IAS 12.81(c)
Rounding tolerance: $1 plus $0.50 per ledger row with a profit-or-loss movement, plus $1 per row whose recognition changed	10				IAS 12.81(c)
Effective tax rate	26.6471%				IAS 12.81(c)
Memo: home-province rate differential	0				IAS 12.81(c)
✓ Proof -- total income tax expense is fully explained	OK	492,972	492,972		
✓ Prior-year unrecognised figure agrees to Prior Year (overtype guard)	OK	45,580	45,580		

FS Note — the income taxes note as it appears in the financial statements

Template

Reporting entity	Business number	Year end
Example IFRS Reporter Inc.	12345 6789 RC0001	2026-12-31

The income taxes note as it appears in the financial statements. Edit the five yellow paragraphs for the entity; every figure is read from the tab that computes it and the prior-year column from Prior Year. The block named on the next row pastes into Word as one table.

Note number: 12

Select E9:H98 and copy; paste into Word as a table.

Note 12 -- Income taxes

Accounting policy

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised there. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, measured at the tax rates expected to apply when the differences reverse, based on rates enacted or substantively enacted at the reporting date. Deferred tax is not recognised on the initial recognition of goodwill, or on the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences. A deferred tax liability is not recognised on taxable temporary differences associated with investments in subsidiaries, branches, associates and joint arrangements where the Company controls the timing of the reversal and it is not probable that the difference will reverse in the foreseeable future, and a deferred tax asset on deductible temporary differences associated with those investments is recognised only to the extent that it is probable that the difference will reverse in the foreseeable future and that taxable profit will be available against which it can be used. A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be used, and is reviewed at each reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same taxation authority on the same taxable entity.

Significant judgements and estimates

The Company has concluded that it is probable that 60% of its non-capital loss carryforwards will be used against future taxable profit, and has recognised a deferred tax asset to that extent. The uncertainty over the mark-up charged on intercompany transactions is measured at the expected value of the possible outcomes.

Components of income tax expense

For the year ended December 31, 2026, income tax expense was $492,972 (2025: $377,000), an effective rate of 26.65%.

	2026	**2025**
Current tax on the year's profit	477,483	355,000
Adjustments in respect of prior periods	12,000	
Deferred tax -- origination and reversal of temporary differences	6,592	22,000
Deferred tax -- changes in rates, remeasurement and recognition changes	2,197	
Deferred tax -- adjustments in respect of prior periods	(5,300)	
Income tax expense	**492,972**	**377,000**

Tax recognised outside profit or loss

	2026	**2025**

FS Note — the income taxes note as it appears in the financial statements

Template

Reporting entity	Business number	Year end
Example IFRS Reporter Inc.	12345 6789 RC0001	2026-12-31

The income taxes note as it appears in the financial statements. Edit the five yellow paragraphs for the entity; every figure is read from the tab that computes it and the prior-year column from Prior Year. The block named on the next row pastes into Word as one table.

Note number	12	
Select E9:H98 and copy; paste into Word as a table.		
Tax recognised in other comprehensive income	(2,650)	8,000
Tax recognised directly in equity	0	0

Reconciliation of the effective tax rate

The Company's combined federal and provincial statutory income tax rate for 2026 was 26.50% (2025: 26.50%). Income tax expense differs from the amount that would result from applying that rate to income before income taxes as follows:

	2026	2025
Income before income taxes	1,850,000	1,620,000
Statutory income tax rate	26.50%	26.50%
Expected income tax at the statutory rate	490,250	429,300
Permanent differences	15,900	10,600
Capital items measured at the capital rate	(3,975)	
Deferred tax on items outside taxable income	0	
Remeasurement of deferred tax balances	2,197	
Movement in unrecognised deferred tax assets and losses	(6,360)	(41,600)
Expiry of loss carryforwards	6,360	
Uncertain tax treatments	26,000	
Prior-year adjustments, current and deferred	6,700	
Investment tax credits	(44,100)	(21,300)
Small business deduction	0	
Other reconciling items	0	0
Total income tax expense per the reconciliation	**492,972**	**377,000**
Effective tax rate	26.65%	23.27%

Deferred tax balances have been remeasured for the change in the Ontario general corporate rate substantively enacted in the year, at the rates expected to apply when the differences reverse.

Deferred tax assets and liabilities

Deferred tax liabilities (assets) are attributable to the following:

	2026	2025
Property, plant and equipment	195,019	188,150
Intangible assets	18,375	21,200
Leases	(15,720)	(10,600)
Provisions, reserves and accruals	(120,575)	(108,650)
Employee benefits	(167,040)	(159,000)
Financing and share issue costs	(22,050)	(29,680)
Financial instruments and foreign exchange	4,770	
Investments	32,100	23,250
Losses and credits	(257,465)	(258,095)
Other	0	
Net deferred tax liability (asset)	**(332,586)**	**(333,425)**

The movement in the net deferred tax balance during the year was as follows:

Balance at the beginning of the year	(333,425)

FS Note — the income taxes note as it appears in the financial statements

Template

Reporting entity	Business number	Year end
Example IFRS Reporter Inc.	12345 6789 RC0001	2026-12-31

The income taxes note as it appears in the financial statements. Edit the five yellow paragraphs for the entity; every figure is read from the tab that computes it and the prior-year column from Prior Year. The block named on the next row pastes into Word as one table.

Note number	12
Select E9:H98 and copy; paste into Word as a table.	
Recognised in profit or loss	3,489
Recognised in other comprehensive income	(2,650)
Recognised directly in equity	0
Balance at the end of the year	**(332,586)**

Presented in the statement of financial position as:

Deferred tax assets	332,586
Deferred tax liabilities	0

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which they can be used:

	2026	2025
Non-capital losses, expiring from 2030	34,980	45,580
Net capital losses	0	
Charitable donations	0	
Investment tax credits	0	
Deductible temporary differences	0	
Total	**34,980**	

Uncertain tax treatments

The Company is subject to examination by the Canada Revenue Agency and provincial authorities for open taxation years. Where it is not probable that a taxation authority will accept a treatment the Company has adopted, the effect of that uncertainty is reflected in the amounts recognised.

At December 31, 2026, the Company had recognised $140,000 in respect of uncertain tax treatments (2025: $120,000).

140,000

Investments in subsidiaries, associates and joint arrangements

Temporary differences of $2,400,000 associated with investments in subsidiaries, associates and joint arrangements have not been recognised because the Company controls the timing of their reversal and it is probable they will not reverse in the foreseeable future.

2,400,000

Contingencies

Other than the uncertain tax treatments described above, the Company has no tax-related contingent liabilities or contingent assets.

Checks -- the note foots to itself and agrees to the working Note			
✓ Income tax expense agrees to the working Note	OK	492,972	492,972
✓ Deferred tax by type agrees to the working Note	OK	(332,586)	(332,586)
✓ The reconciliation agrees to the Rate Rec	OK	492,972	492,972
✓ Prior-year income tax expense foots to its own total	OK	0	0
✓ Prior-year deferred tax by type foots to its own total	OK	0	0
✓ Prior-year reconciliation foots to its own total	OK	0	0