

## Securities and Exchange Commission

## § 256.409

shall be maintained by classes of equipment for each service rendered.

### § 256.308 Office furniture and equipment.

This account shall include the cost of office furniture and equipment owned by the service company and used in rendering services, e.g., bookcases, shelves, desks, tables, chairs, desk equipment, safes, drafting-room equipment, filing cabinets, storage and other cabinets, floor covering, library equipment, accounting machines, electronic calculators, typewriters and other mechanical office equipment.

### § 256.309 Automobiles, other vehicles, and related garage equipment.

This account shall include the delivered cost of all service company owned automobiles, vans, trucks, and other vehicles used by the service company in its operations. The cost of all tools, implements, and other equipment used in the inspection, maintenance, repair and overhaul of vehicles shall also be included in this account.

### § 256.310 Aircraft and airport equipment.

This account shall include the delivered cost of all service company owned aircraft and accessories thereto used by the service company in its operations. The cost of all tools, implements and other equipment used in the inspection, maintenance, repair and overhaul of aircraft shall also be included in this account.

### § 256.311 Other service company property.

(a) This account shall include the cost of service company property owned by the service company not provided for elsewhere.

(b) This account shall be maintained in such a manner that the service company can furnish full information with respect to the amounts included herein.

## INCOME AND EXPENSE ACCOUNTS

### 1. INCOME

### § 256.403 Depreciation and amortization expense.

This account shall include the amount of depreciation and amortization for all service plant, and leasehold improvements, the cost of which is includable in accounts 305 through 311. Provide subaccounts by each class of service company property owned and leased.

### § 256.408 Taxes other than income taxes.

(a) This account shall include the amount of state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by Federal, State, County, Municipal, or other local governmental authorities, except income taxes.

(b) When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.

(c) This account shall be kept in such manner as to show the amount of each class of taxes.

NOTE A: Taxes applicable to property construction or investments may be charged to the account in which the property construction or investment is included. Special assessments for street and similar improvements shall be included in the appropriate service company property account. Gasoline and other miscellaneous taxes shall be charged, where practicable, to the same account as the materials on which the tax is levied.

NOTE B: Interest on tax refunds or deficiencies shall not be included in this account but in account 421, Miscellaneous income or loss, or account 431, Other interest expense, as appropriate.

### § 256.409 Income taxes.

(a) This account shall include the amount of local, State and Federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. As the exact amount of taxes become known, the current tax accruals shall be adjusted accordingly so that this account, as

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nearly as can be ascertained, shall include the actual taxes payable which are chargeable to service company operations.

(b) Interest on tax refunds or deficiencies shall not be included in this account but in account 421, Miscellaneous income or loss, or account 431, Other interest expense, as appropriate.

### § 256.410 Provision for deferred income taxes.

This account shall be debited and Accumulated Deferred Income Taxes shall be credited with an amount equal to any deferral of taxes on income as provided by the text of account 282, Accumulated deferred income taxes. No entries required to be made to this account shall be netted against any credit amounts appropriately includable in account 411, Provision for deferred income taxes—credit.

### § 256.411 Provision for deferred income taxes—credit.

This account shall be credited and Accumulated Deferred Income Taxes debited with an amount equal to the portion of taxes on income payable for the year which is attributable to a deferral of taxes on income in a prior year, in accordance with the plan of deferred tax accounting provided by the text of account 282, Accumulated deferred income taxes. No entries required to be made to this account shall be netted against any debit amount appropriately includable in account 410, Provision for deferred income taxes.

### § 256.411.5 Investment tax credit.

(a) This account shall be debited with the amounts of investment tax credits related to service company property that are credited to account 255, Accumulated deferred investment tax credits, by service companies which do not apply the entire amount of the benefits of the investment credit as a reduction of the overall income tax expense in the year in which such credit is realized (see account 255).

(b) This account shall be credited with the amounts debited to account 255 for proportionate amounts of tax credit deferrals allocated over the average useful life of property to which the tax credits relate or such lesser pe-

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riod of time as may be adopted by the service company.

### § 256.421 Miscellaneous income or loss.

This account shall include all income or loss items not provided for elsewhere.

(Secs. 13, 15, 20, 49 Stat. 825, 828, 833; 15 U.S.C. 79m, 79o, 79t)

[45 FR 41135, June 18, 1980]

### § 256.426.1 Donations.

This account shall include all payments or donations for charitable, social or community welfare purposes.

### § 256.426.5 Other deductions.

(a) This account shall include other miscellaneous expenses which are non-operating in nature but which are properly deductible before determining total income before interest charges.

(b) Records shall be so maintained by subaccount to permit ready analysis showing the nature of the expenses and identity of the person furnishing the service.

NOTE: Preliminary survey and investigation expenses related to abandoned projects, when not written-off to the appropriate operating expense account, shall be included in this account.

### § 256.427 Interest on long-term debt.

This account shall include the amount of interest accrued on outstanding long-term debt owed by the service company to nonassociate persons.

### § 256.430 Interest on debt to associate companies.

This account shall include interest accrued on amounts included in account 223, Advances from associate companies, and account 233, Notes payable to associate companies. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued. Separate subaccounts should be maintained for each related debt account.