

27 December 2017

US Tax Cuts and Jobs Act Implications for Navitas

Overnight on 22 December 2017, US President Donald Trump signed the Tax Cuts and Jobs Act into US legislation.

One of the key components of the Act is a reduction of the top federal corporate tax rate from 35% to 21% commencing 1 January 2018.

Following the enactment of this legislation the US domiciled deferred tax assets of Navitas will be recoverable at an expected future federal tax rate of 21%, rather than 35%.

In accordance with Australian accounting standards, Navitas has re-measured the carrying value of its US tax assets at the new tax rate and reduced the carrying value from \$17.4m to \$9.9m.

This change in value will result in a one off charge to income tax expense of \$7.5m that will be recorded in the 2018 interim financial statements of the Navitas Group.

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About Navitas

Navitas is a leading global education provider that offers an extensive range of educational services through two major Divisions to students and professionals including university programs, creative media education, professional education, English language training and settlement services. Navitas is a S&P/ASX200 company. Further details about Navitas are available at navitas.com

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