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this account will serve as a clearing account to identify the total research and development activity.

(b) All cost shall be transferred from this account by the end of each fiscal year.

(c) This account shall be so maintained as to show separately each project along with complete detail of the nature and purpose of the research, development and demonstration project together with the related costs.

§ 256.190 Accumulated deferred income taxes.

(a) This account shall be debited and account 411, Provision for deferred income taxes—credit, or account 421, Miscellaneous income or loss, as appropriate, shall be credited with an amount equal to that by which income taxes payable for the year are higher because of the inclusion of certain items in income for tax purposes, which items for general accounting purposes will not be fully reflected in the service company’s determination of annual net income until subsequent years.

(b) This account shall be credited and account 410, Provision for deferred income taxes, or account 421, Miscellaneous income or loss, as appropriate, shall be debited with an amount equal to that by which income taxes payable for the year are lower because of prior payment of taxes as provided by paragraph (a) of this section, because of difference in timing for tax purposes of particular items of income or income deductions from that recognized by the service company for general accounting purposes.

(c) Vintage year records with respect to entries to this account, as described above, and the account balance shall be so maintained as to show the factor of calculation with respect to each annual amount of the item or class of items for which deferred tax accounting by the service company is utilized.

§ 256.223 Advances from associate companies.

This account shall include the principal amount of notes and balances on open accounts due to associate companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includable in account 233, Notes payable to associate companies or account 234, Accounts payable to associate companies.

Note: Subaccounts shall be maintained for each class of obligation, and records shall be maintained to show for each class the terms of the obligation, including the date of obligation, date of maturity, interest dates and rates, and security, if any.