

“NOL carryovers and carrybacks, general business credits, foreign tax credits—I don’t know how I could handle these without BNA Corporate Tax Analyzer.”

—Maggie Walsh, Senior Tax Analyst, Honeywell International, Inc.

Honeywell Gains Peace of Mind with BNA Corporate Tax™ Analyzer

BNA replaces Excel spreadsheets for complex tax computations, federal audit analysis, and planning

Honeywell

Challenge:

Enable Honeywell to automate and document, especially in audit situations, complex tax computations with accuracy and ease.

Solution:

BNA Corporate Tax Analyzer from BNA Software

Results:

Dramatic time savings by eliminating the effort to monitor tax law changes, modify spreadsheet calculations, and test spreadsheets; peace of mind knowing that BNA is up to date and accurate; 20 years of historical data and documentation; and a collaborative, quicker IRS exam process.

Honeywell is a technology and manufacturing leader, with aerospace products and services; control technologies for buildings, homes and industry; automotive products; turbochargers; and specialty materials. It’s no surprise then that handling federal audits and 1120 filings for this \$28 billion enterprise, with operations in 100 countries, is no small task.

Increasingly Complex Federal Tax Issues

From oft-occurring IRS audits to complex tax preparation, Honeywell’s 65-person tax department tackles it all while keeping a keen eye on the effective tax rate and cash flow. As part of the Federal Income Tax group at Honeywell, Maggie Walsh, Senior Tax Analyst, is heavily involved in federal tax audits, federal tax preparation, and tax planning. Her primary tool was Excel, in which she created models to calculate corporate income tax for Honeywell. This meant keeping abreast of the latest changes, interpreting them, and manually updating intricate calculations—a time-consuming process that was difficult to check for accuracy.

As it became apparent that net operating loss (NOL) carrybacks and carryforwards, along with Alternative Minimum Tax (AMT) would start coming into play for Honeywell, Walsh decided that maintaining spreadsheets for the increasingly complex tax attributes was no longer feasible.

BNA Corporate Tax Analyzer Is an Instant Hit

When Walsh discovered BNA Corporate Tax Analyzer, she knew it would be a tremendous help to the department. This powerful tax audit analysis and planning solution from BNA performs and documents the complex tax calculations needed for Honeywell’s federal domestic income taxes. “There are some very complex sections related to AMT, FTC, repatriation, and NOLs with charitable contributions. We switched to BNA Corporate Tax Analyzer just in time—before the NOLs kicked in.”

Now Walsh uses BNA Corporate Tax Analyzer to analyze the impact of proposed IRS adjustments during audits, calculate and manage carrybacks and carryovers of net operating losses and credits, prepare amended returns (1120X), and run multi-year projections for tax planning. “With BNA Corporate Tax Analyzer, at the touch of a button, very complicated calculations are done for you. The software allows me to be more productive and efficient,” explained Walsh.

BNA Saves Time and Delivers Peace of Mind

Honeywell no longer uses Excel for tax calculations and the time savings has been significant. “We had a 5 year carryback net operating loss and a 10 year carryback specified liability loss that would have been very complicated and time-consuming to do in Excel with all the credit interactions. I would

Honeywell International, Inc.

- A technology and manufacturing leader in aerospace, building controls, automotive products, and speciality materials
- 2009 revenue was \$30.9 billion
- Number of employees: approx. 122,000
- Fortune 100 company
- BNA Corporate Tax Analyzer is used for audit support, tax preparation, and planning

have had to go back to 1992 and manually do all the calculations,” stated Walsh.

And there’s no need for Walsh to second-guess results anymore. “I don’t have to worry about the sequence of how credits are used or carryback rules—it’s all been incorporated into the software,” said Walsh.

With BNA Corporate Tax Analyzer, Honeywell has realized:

- Significant time savings by eliminating manual efforts
- Peace of mind—BNA Corporate Tax Analyzer is always up to date and accurate
- The ability to store 20 years of data and documentation
- Access to BNA tax experts who understand complex tax issues

Clear Picture of the Impact of IRS Adjustments

“We use BNA Corporate Tax Analyzer to perform calculations to ensure that tax and interest payments/refunds are correct,” stated Walsh. During audits, when the IRS agent proposes adjustments, Walsh runs those figures through BNA Corporate Tax Analyzer to see what the impact will be for Honeywell over multiple years. This gives her the information and reports she needs during the audit process.

Complements Tax Preparation Software and Simplifies Planning

For tax return preparation, Walsh uses BNA Corporate Tax Analyzer to check Honeywell’s 1120 returns for accuracy, and handle carry-over and carryback calculations that are not supported by the company’s tax preparation software. “We enter the results from BNA Corporate Tax Analyzer into Corp Tax to complete the 1120 returns,” explained Walsh.

BNA Corporate Tax Analyzer is also a key tool for Honeywell’s tax planning efforts. BNA Corporate Tax Analyzer determines what the cash or credit impact is for different scenarios. “It’s a major benefit to be able to clearly see the impact on our tax position. For instance, we were in a position where we didn’t know if we were going to lose credits,” said Walsh, “and BNA Corporate Tax Analyzer allowed us to plan accordingly and realize the credits.”

Contact your local BNA Sales Representative or call 1.800.424.2938 (option 3).

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