

Significant components of the Company's deferred tax liabilities and assets were as follows:

	June 1, 2019	June 2, 2018
Deferred tax liabilities:		
Property, plant and equipment	\$ 49,275	\$ 47,899
Inventories	27,750	25,494
Investment in affiliates	7,609	7,996
Other comprehensive income	324	—
Other	2,596	1,616
Total deferred tax liabilities	87,554	83,005
Deferred tax assets:		
Accrued expenses	2,170	3,013
State operating loss carryforwards	133	566
Other comprehensive loss	—	95
Other	2,654	3,276
Total deferred tax assets	4,957	6,950
Net deferred tax liabilities	\$ 82,597	\$ 76,055

The differences between income tax expense (benefit) at the Company's effective income tax rate and income tax expense at the statutory federal income tax rate were as follows:

	Fiscal year end		
	June 1, 2019	June 2, 2018	June 3, 2017
Statutory federal income tax (benefit)	\$ 14,694	\$ 34,105	\$ (39,950)
State income tax (benefit)	2,164	3,200	(3,193)
Domestic manufacturers deduction	—	(2,545)	4,095
Enacted rate change	—	(42,973)	—
Tax exempt interest income	(197)	(101)	(206)
Other, net	(918)	(545)	(613)
	\$ 15,743	\$ (8,859)	\$ (39,867)

In December 2017, the President of the United States signed into law the Tax Cuts and Jobs Act of 2017 (the "Act"), which among other matters reduced the United States corporate tax rate from 35% to 21% effective January 1, 2018. In fiscal 2018, the Company recorded a \$43 million tax benefit primarily related to the remeasurement of certain deferred tax assets and liabilities.

Federal and state income taxes of \$36.5 million, \$2.1 million, and \$3.7 million were paid in fiscal years 2019, 2018, and 2017, respectively. Federal and state income taxes of \$418,000, \$47.2 million, and \$17.6 million were refunded in fiscal years 2019, 2018, and 2017, respectively.

The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Company measures the tax benefits recognized based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. As of June 1, 2019, there were no uncertain tax positions that resulted in any adjustment to the Company's provision for income taxes.

We are under audit by the IRS for the fiscal years 2013 through 2015. We are subject to income tax in many jurisdictions within the U.S., and certain jurisdictions are under audit by state and local tax authorities. The resolutions of these audits are not expected to be material to our consolidated financial statements. Tax periods for all years beginning with fiscal year 2013 remain open to examination by federal and state taxing jurisdictions to which we are subject.

12. Contingencies

Financial Instruments

The Company maintained standby letters of credit (“LOC”) with banks totaling \$4.2 million at June 1, 2019, of which \$3.7 million were issued under the Company's Revolving Credit Facility with the remainder collateralized with cash. The cash collateralized LOCs are included in the line item “Other assets” in the consolidated balance sheets. The outstanding LOCs are for the benefit of certain insurance companies. None of the LOCs are recorded as a liability on the Consolidated Balance Sheets.

Egg Antitrust Litigation

On September 25, 2008, the Company was named as one of several defendants in numerous antitrust cases involving the United States shell egg industry. The cases were consolidated into In re: Processed Egg Products Antitrust Litigation, No. 2:08-md-02002-GP, in the United States District Court for the Eastern District of Pennsylvania (the “District Court”), in three groups of cases - the “Direct Purchaser Putative Class Action”, the “Indirect Purchaser Putative Class Action” and the “Non-Class Cases.”

The Direct Purchaser Putative Class Action. The named plaintiffs in these cases alleged that they purchased eggs or egg products directly from a defendant and sued on behalf of themselves and a putative class of others who claimed to be similarly situated. As previously reported, in November 2014, the District Court approved the Company's settlement with the direct purchaser plaintiff class and entered final judgment dismissing with prejudice the class members' claims against the Company.

The Indirect Purchaser Putative Class Action. The named plaintiffs in these cases are individuals or companies who allege that they purchased shell eggs indirectly from one or more of the defendants - that is, they purchased from retailers that had previously purchased from defendants or other parties - and sued on behalf of themselves and a putative class of others who claim to be similarly situated. The District Court denied the indirect purchaser plaintiffs' motion for class certification. On June 28, 2018, the Company entered into a settlement agreement with the indirect purchaser plaintiffs, for an immaterial amount, and on July 17, 2018, the Court entered an order dismissing all indirect purchaser plaintiffs' claims against the Company and other defendants.

The Non-Class Cases. In the remaining cases, the named plaintiffs allege that they purchased shell eggs and egg products directly from one or more of the defendants but sue only for their own alleged damages and not on behalf of a putative class. On April 4, 2018, the Court entered a final judgement dismissing all claims against the Company brought by the following non-class plaintiffs: The Kroger Co.; Publix Super Markets, Inc.; SUPERVALU, Inc.; Safeway, Inc.; Albertsons LLC; H.E. Butt Grocery Co.; The Great Atlantic & Pacific Tea Company, Inc.; Walgreen Co.; Hy-Vee, Inc.; and Giant Eagle, Inc., with prejudice, pursuant to the Company's previously announced \$80.8 million settlement with the named plaintiffs.

The Company settled all Non-Class cases except for the claims of certain plaintiffs who sought substantial damages allegedly arising from the purchase of egg products (as opposed to shell eggs). As previously reported, the Company settled all claims brought by one of these plaintiffs, Conopco, Inc. on a confidential basis and for an amount that did not have a material impact on the Company's financial condition or results, and on November 21, 2018, the Court entered a final judgment dismissing Conopco's claims against the Company. The remaining plaintiffs are Kraft Food Global, Inc., General Mills, Inc., Nestle USA, Inc., and The Kellogg Company (“Egg Products Plaintiffs”). The Egg Products Plaintiffs seek treble damages and injunctive relief under the Sherman Act and are attacking certain features of the UEP animal-welfare guidelines and program used by the Company and many other egg producers. On September 6, 2016, the District Court granted defendants' motion for summary judgment and dismissed with prejudice all claims based on the purchase of egg products. That ruling was appealed to the United States Court of Appeals for the Third