

Deferred Tax Assets and Liabilities

Significant components of the deferred tax assets and liabilities are summarized below (in thousands):

	Fiscal Year Ended August 31,	
	2019	2018
Deferred tax assets:		
Net operating loss carry forward	\$ 183,297	\$ 119,259
Receivables	6,165	7,111
Inventories	9,590	7,634
Compensated absences	10,401	8,266
Accrued expenses	81,731	81,912
Property, plant and equipment, principally due to differences in depreciation and amortization	66,268	97,420
Domestic federal and state tax credits	42,464	70,153
Foreign jurisdiction tax credits	15,345	25,887
Equity compensation – Domestic	7,617	7,566
Equity compensation – Foreign	2,179	2,401
Domestic federal interest carry forward	5,853	—
Cash flow hedges	9,878	—
Unrecognized capital loss carry forward	7,799	—
Revenue recognition	19,195	—
Other	21,907	18,176
Total deferred tax assets before valuation allowances	489,689	445,785
Less valuation allowances	(287,604)	(223,487)
Net deferred tax assets	<u>\$ 202,085</u>	<u>\$ 222,298</u>
Deferred tax liabilities:		
Unremitted earnings of foreign subsidiaries	75,387	74,654
Intangible assets	39,242	39,122
Other	4,447	4,655
Total deferred tax liabilities	<u>\$ 119,076</u>	<u>\$ 118,431</u>
Net deferred tax assets	<u>\$ 83,009</u>	<u>\$ 103,867</u>

Based on the Company's historical operating income, projection of future taxable income, scheduled reversal of taxable temporary differences, and tax planning strategies, management believes that it is more likely than not that the Company will realize the benefit of its deferred tax assets, net of valuation allowances recorded. The net increase in the total valuation allowance for the fiscal year ended August 31, 2019 is primarily related to the increase of a net operating loss carry forward due to a release of a non-U.S. unrecognized tax benefit and the increase of deferred tax assets in sites with existing valuation allowances. The decrease in domestic federal and state tax credits is primarily related to the utilization of tax credits against the one-time transition tax.

As of August 31, 2019, the Company intends to indefinitely reinvest the remaining earnings from its foreign subsidiaries for which a deferred tax liability has not already been recorded. The accumulated earnings are the most significant component of the basis difference which is indefinitely reinvested. As of August 31, 2019, the indefinitely reinvested earnings in foreign subsidiaries upon which taxes had not been provided were approximately \$1.9 billion. The estimated amount of the unrecognized deferred tax liability on these reinvested earnings was approximately \$0.2 billion.