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Interest income increased by \$16.9 million in fiscal year 2019. The increase in our interest income is associated with the increase in invested funds, primarily as a result of proceeds of approximately \$600 million related to the common stock and convertible note offering in March 2018 and, to a lesser extent, higher yields on those invested funds.

Interest Expense

Interest expense includes both stated interest and the amortization of debt discount and issuance costs associated with the \$400.0 million aggregate principal amount of our Convertible Senior Notes that were issued in March 2018. Accordingly, interest expense in fiscal year 2019 is higher than fiscal year 2018 as the notes were only outstanding for part of fiscal year 2018.

Interest expense increased \$10.9 million in fiscal year 2019, compared to the same period a year ago. Interest expense for fiscal year 2019 consists of non-cash interest expense of \$12.2 million related to the amortization of debt discount and issuance costs and stated interest of \$5.0 million.

Other Income (Expense), Net

Other income (expense), net consists primarily of foreign exchange gains and losses resulting from fluctuations in foreign exchange rates on monetary asset and monetary liability balances that are denominated in currencies other than the functional currency of the entity in which they are recorded. We currently have entities with a functional currency of the Argentine Peso, Australian Dollar, Brazilian Real, British Pound, Canadian Dollar, Euro, Japanese Yen, Malaysian Ringgit, and Polish Zloty.

We realized a net currency exchange loss of \$1.9 million in fiscal year 2019 as compared to a net currency exchange gain of \$0.5 million in fiscal year 2018 as a result of exchange rate movements on foreign currency denominated accounts against the US Dollar.

Provision for Income Taxes

We are subject to taxes in the United States as well as other tax jurisdictions and countries in which we conduct business. Earnings from our non-U.S. activities are subject to local country income tax and may be subject to current U.S. income tax.

	Fiscal years ended July 31,			
	2019		2018	
	Amount		Amount	
			Change	
			(\$)	(%)
(In thousands, except percentages)				
Provision for (benefit from) income taxes	\$	(8,280)	\$	18,467
Effective tax rate		(66)%		(223)%
			(26,747)	(145)

We recognized an income tax benefit of \$8.3 million for fiscal year 2019 compared to an income tax provision of \$18.5 million for fiscal year 2018. The fiscal year 2018 income tax provision was primarily due to a one-time provisional net charge from re-measuring deferred tax assets and liabilities in the quarter ended January 31, 2018 as a result of the Tax Cuts and Jobs Act (the "Tax Act"). The effective tax rate of (66)% for fiscal year 2019, differs from the statutory U.S. Federal income tax rate of 21% mainly due to permanent differences for stock-based compensation, including excess tax benefits, research and development credits, the tax rate differences between the United States and foreign countries, foreign withholding taxes, and certain non-deductible expenses including executive compensation.

As of July 31, 2019, we had unrecognized tax benefits of \$6.2 million that, if recognized, would affect our effective tax rate.

On December 22, 2017, the Tax Act was enacted into law which substantially changed U.S. tax law, including a reduction in the U.S. corporate income tax rate to 21% effective January 1, 2018 and several provisions that may impact us in current and future periods. The Tax Act includes a provision to tax global intangible low-taxed income ("GILTI") of foreign subsidiaries, a special deduction for foreign-derived intangible income, and a base erosion anti-abuse tax ("BEAT") measure that taxes certain payments between a U.S. corporation and its foreign subsidiaries. These provisions of the Tax Act became effective for us beginning on August 1, 2018 and had no impact on the tax benefit for fiscal year 2019.

Under GAAP, we can make an accounting policy election to either treat taxes due on the GILTI inclusion as a current period expense or factor such amounts into our measurement of deferred taxes. We have elected the current period expense method.

In December 2018, the Internal Revenue Service (the "IRS") issued proposed regulations related to the BEAT tax, which we are in the process of evaluating. If the proposed BEAT regulations are finalized in their current form, the impact may be material to the tax provision in the quarter of enactment.

The U.S. Treasury Department, the IRS, and other standard-setting bodies will continue to interpret or issue guidance on how provisions of the Tax Act will be applied or otherwise administered. We continue to obtain, analyze, and interpret guidance

as it is issued and will revise our estimates as additional information becomes available. Any legislative changes, including any other new or proposed U.S. Department of the Treasury regulations that have yet to be issued, may result in income tax adjustments which could be material to our provision for income taxes and effective tax rate in the period any such changes are enacted. We have finalized our assessment of the transitional impacts of the Tax Act.

Comparison of the Fiscal Years Ended July 31, 2018 and 2017

Refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations located in our 10-K/A for the fiscal year ended July 31, 2018, filed on June 3, 2019, for the discussion of the comparison of the fiscal year ended July 31, 2018 to the fiscal year ended July 31, 2017, the earliest of the three fiscal years presented in the consolidated financial statements.