

Components of the net deferred income tax assets are as follows:

(in thousands)	March 31,	
	2019	2018
Deferred income tax assets:		
Allowance for doubtful accounts	\$ 26	\$ 24
Foreign tax credit carryforward	810	812
Depreciation	173	227
Deferred revenue	425	675
Accrued compensation	412	358
Inventory reserves	757	948
Accrued warranty	33	77
Net operating loss carryforward	35,024	34,924
Accrued restructuring	—	16
Intangibles and goodwill	272	—
Other	839	660
Gross deferred tax assets	38,771	38,721
Valuation allowance	(38,771)	(37,103)
Net deferred income tax assets	—	1,618
Deferred income tax liabilities:		
Intangibles and goodwill	—	(1,618)
Net deferred income tax liabilities	\$ —	\$ —

In fiscal years 2019 and 2018, the Company continued to maintain a full valuation allowance on deferred tax assets. The valuation allowance increased by \$1.7 million in fiscal year 2019. The Company recorded an income tax expense from continuing operations of \$39,000 in fiscal year 2019. In fiscal year 2018, the Company recorded an income tax benefit from continuing operations of \$597,000. The fiscal year 2018 income tax benefit was due primarily from the release of the tax valuation allowance associated with previously generated alternative minimum tax (AMT) credits due to the December 22, 2017 Tax Cuts and Jobs Act Tax Reform (the “Tax Act”).

The Company has, on a tax-effected basis, approximately \$0.8 million in tax credit carryforwards and \$26.9 million of federal net operating loss carryforwards that are available to offset taxable income in the future. The tax credit carryforwards will begin to expire in fiscal year 2021. The federal net operating loss carryforwards begin to expire in fiscal year 2022. State tax credit carryforwards and net operating loss carryforwards, on a tax effected basis and net of federal tax benefits, are \$0.1 million and \$8.1 million, respectively. The remaining state tax credit carryforwards and state net operating loss carry forwards begin to expire in fiscal year 2020. In fiscal year 2019, \$1.2 million of state net operating loss carryforwards expired.

The Company accounts for uncertainty in income taxes under ASC 740, which prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

A reconciliation of the beginning and ending balances of the total amounts of unrecognized tax benefits for fiscal years 2018 and 2019 is as follows:

	(in thousands)
Unrecognized tax benefits at March 31, 2017	\$ 2,962
Additions based on positions related to fiscal year 2018	—
Unrecognized tax benefits at March 31, 2018	2,962
Additions based on positions related to fiscal year 2019	—
Reductions as a result of expirations of applicable statutes of limitations	(780)
Unrecognized tax benefits at March 31, 2019	\$ 2,182

If the unrecognized tax benefit balances at March 31, 2019 and 2018, were recognized, it would affect the effective tax rate.

The Company recognized interest and penalties of \$2,500 and \$2,000 as a component of income tax expense in fiscal year 2019 and 2018, respectively. As of March 31, 2019 and 2018, accrued interest and penalties were \$17,800 and \$15,300, respectively.

The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates.