

Deferred income taxes on the Consolidated Balance Sheets result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The principal components of our current and non-current deferred taxes were as follows:

| <i>(In thousands)</i>   | 2019            | 2018            |
|---|-----------------|-----------------|
| <b>Deferred tax assets</b>  |                 |                 |
| Inventory   | \$7,144         | \$6,609         |
| Accrued expenses  | 2,330           | 2,850           |
| Investments   | —               | 1,122           |
| Deferred compensation   | 5,660           | 4,779           |
| Stock-based compensation  | 2,451           | 3,069           |
| Uncertain tax positions related to state taxes and related interest | 241             | 326             |
| Pensions  | 7,074           | 5,538           |
| Foreign losses  | 2,925           | 3,097           |
| State losses and credit carry-forwards                              | 3,995           | 8,164           |
| Federal loss and research carry-forwards                            | 12,171          | 17,495          |
| Lease liabilities   | 2,496           | —               |
| Capitalized research and development expenditures                   | 22,230          | —               |
| Valuation allowance   | (48,616)        | (5,816)         |
| <b>Total Deferred Tax Assets</b>                                    | <b>20,101</b>   | <b>47,233</b>   |
| <b>Deferred tax liabilities</b>                                     |                 |                 |
| Property, plant and equipment                                       | (2,815)         | (3,515)         |
| Intellectual property   | (5,337)         | (6,531)         |
| Right of use lease assets   | (2,496)         | —               |
| Investments   | (1,892)         | —               |
| <b>Total Deferred Tax Liabilities</b>                               | <b>(12,540)</b> | <b>(10,046)</b> |
| <b>Net Deferred Tax Assets</b>                                      | <b>\$7,561</b>  | <b>\$37,187</b> |

In December 2017, the Tax Cuts and Jobs Act (“the Act”) was signed into law. As a result of the Act, we recognized an estimated expense of \$11.9 million in the fourth quarter of 2017, of which \$9.2 million related to the write-down of deferred tax assets and \$2.7 million related to tax on unrepatriated foreign earnings. We calculated our best estimate of the impact of the Act in our 2017 year-end income tax provision in accordance with Staff Accounting Bulletin No. 118, which was issued to address the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed to finalize the accounting for certain income tax effects of the Act. Additional work to complete a more detailed analysis of historical foreign earnings, as well as the full impact relating to the write-down of deferred tax assets, was completed in the third quarter of 2018 and resulted in a tax benefit of \$4.0 million for the year ended December 31, 2018.

As of December 31, 2019 and 2018, non-current deferred taxes related to our investments and our defined benefit pension plan reflect deferred taxes on the net unrealized gains and losses on available-for-sale investments and deferred taxes on unrealized losses in our pension plan. The net change in non-current deferred taxes associated with these items, which resulted in a deferred tax benefit of \$0.4 million and \$2.8 million in 2019 and 2018, respectively, was recorded as an adjustment to other comprehensive income (loss), presented in the Consolidated Statements of Comprehensive Income (Loss).