**Sample Tax Reform Risk Factors**

***U.S. federal income tax reform could adversely affect us.***

On December 22, 2017, President Trump signed into law the statute originally named the “Tax Cuts and Jobs Act” (the “2017 Tax Act”) which enacts a broad range of changes to the Code. The 2017 Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating losses, allows for the expensing of certain capital expenditures, and puts into effect a number of changes impacting operations outside of the United States including, but not limited to, the imposition of a one-time tax on accumulated post-1986 deferred foreign income that has not previously been subject to tax, and modifications to the treatment of certain intercompany transactions. Our net deferred tax assets and liabilities will be revalued at the newly enacted U.S. corporate rate, and the impact will be recognized in our tax expense in 2017, the year of enactment. We continue to examine the impact this tax legislation may have on our business. The impact of this tax legislation on holders of our common stock is uncertain and could be adverse. We urge our stockholders, including purchasers of common stock in this offering, to consult with their legal and tax advisors with respect to such legislation and the potential tax consequences of investing in our common stock.

***U.S. federal income tax reform could adversely affect us.***

The U.S. Congress has enacted legislation that significantly reforms the Internal Revenue Code of 1986, as amended. President Trump is expected to sign the Congressional bill into law as it reflects one of the top legislative priorities of his administration. The new legislation, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest, allows for the expensing of capital expenditures, and puts into effect the migration from a “worldwide” system of taxation to a territorial system. We do not expect tax reform to have a material impact to our projection of minimal cash taxes or to our NOLs. Our net deferred tax assets and liabilities will be revalued at the newly enacted U.S. corporate rate, and the impact will be recognized in our tax expense in the year of enactment. We continue to examine the impact this tax reform legislation may have on our business. The impact of this tax reform on holders of our common shares is uncertain and could be adverse. This prospectus does not discuss any such tax legislation or the manner in which it might affect purchasers of our common stock. We urge our stockholders to consult with their legal and tax advisors with respect to any such legislation and the potential tax consequences of investing in our common stock.

***Comprehensive tax reform bills could adversely affect Vaxart’s business and financial condition.***

The U.S. government is in the process of enacting comprehensive tax legislation that includes significant changes to the taxation of business entities. These changes include, among others, (i) a permanent reduction to the corporate income tax rate, (ii) a partial limitation on the deductibility of business interest expense, (iii) a shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a territorial system (along with certain rules designed to prevent erosion of the U.S. income tax base) and (iv) a one-time tax on accumulated offshore earnings held in cash and illiquid assets, with the latter taxed at a lower rate. Notwithstanding the reduction in the corporate income tax rate, the overall impact of this tax reform is uncertain, and Vaxart’s business and financial condition could be adversely affected.  This proxy statement/prospectus/information statement does not discuss any such tax legislation or the manner in which it might affect holders of the Vaxart’s capital stock. Vaxart urges their stockholders to consult with their legal and tax advisors with respect to any such legislation and the potential tax consequences of investing in Vaxart’s capital stock.

***liabilities, which could have a material and adverse impact on the Company’s operating results, cash flows and financial condition.***

The Company is subject to taxes in the U.S. and numerous foreign jurisdictions, where a number of the Company’s subsidiaries are organized. Due to economic and political conditions, tax rates in various jurisdictions including the U.S. may be subject to change. The Company’s future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws or their interpretation, such as interpretations as to the legality of tax advantages granted under the EU state aid rules.

Recently enacted U.S. tax reform legislation known colloquially as the “Tax Cuts and Jobs Act,” among other things, makes significant changes to the rules applicable to the taxation of corporations, such as changing the corporate tax rate to a flat 21% rate, modifying the rules regarding limitations on certain deductions for executive compensation, introducing a capital investment deduction in certain circumstances, placing certain limitations on the interest deduction, modifying the rules regarding the usability of certain net operating losses, implementing a minimum tax on the “global intangible low-taxed income” of a “United States shareholder” of a “controlled foreign corporation,” modifying certain rules applicable to United States shareholders of controlled foreign corporations, imposing a deemed repatriation tax on certain earnings and adding certain anti-base erosion rules. The Company is currently in the process of analyzing the effects of this new legislation on the Company and at this time the ultimate outcome of the new legislation on our business and financial condition is uncertain. It is possible that the application of these new rules may have a material and adverse impact on our operating results, cash flows and financial condition.

**SAMPLE TAX REFORM 8-KS**

**ITEM 8.01    OTHER EVENTS**

On December 22, 2017, the Tax Cuts and Jobs Act (Tax Legislation) was enacted. The Tax Legislation significantly revises the U.S. corporate income tax by, among other things, lowering corporate income tax rates, implementing the territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

The Cooper Companies, Inc. (together with its consolidated subsidiaries), estimates, based on currently available information, that the enactment of the Tax Legislation will result in a reduction of approximately $185M to $235M in the company’s GAAP earnings for the first quarter of fiscal 2018. The large majority of such amount is due to the repatriation tax and the re-measurement of U.S. deferred tax assets at lower enacted corporate tax rates. This amount is expected to be paid over an eight year period. The company anticipates excluding this amount from our Non-GAAP earnings per share.

Among a number of factors, including the timing of the effective date of the lower corporate tax rate, our effective tax rates for fiscal 2018 and fiscal 2019 are now expected to be lower than the 11% and mid-teens, respectively, as provided on our December 7, 2017, earnings call. We anticipate providing additional information, including the impact to our earnings per share, in our first quarter of fiscal 2018 earnings call on March 8, 2018.

The impact of the Tax Legislation may differ from these estimates, possibly materially, due to, among other things, changes in interpretations and assumptions made, additional guidance that may be issued and actions taken by Cooper as a result of the Tax Legislation.

**FORWARD-LOOKING STATEMENTS**

This Report on Form 8-K includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the firm’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside the firm’s control. It is possible that the firm’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. For a discussion of some of the risks and important factors that could affect the firm’s future results and financial condition, see “Risk Factors” in Part I, Item 1A of the firm’s Annual Report on Form 10-K for the year ended October 31, 2017. Forward-looking statements include statements regarding the estimated effects of the Tax Legislation on the company's earnings for the first quarter of fiscal 2018. These forward-looking statements consist of preliminary estimates, are based on currently available information, as well as our current interpretations, assumptions and expectations relating to the Tax Legislation, and are subject to change, possibly materially, as the company completes its quarter-end financial statements.

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| **Item 8.01** | **Other Events.** |

On December 22, 2017, the Tax Cuts and Jobs Act (the “Tax Act”) significantly revised U.S. corporate income tax law by, among other things, reducing the corporate income tax rate to 21% and implementing a modified territorial tax system that includes a one-time transition tax on deemed repatriated earnings of foreign subsidiaries.

Morgan Stanley (the “Company”) estimates, based on currently available information, that net income for the quarter ending December 31, 2017, will include an aggregate net discrete tax provision of approximately $1.25 billion, comprised of an approximate $1.4 billion net discrete tax provision as a result of the enactment of the Tax Act, primarily from the remeasurement of certain net deferred tax assets using the lower enacted corporate tax rate, partially offset by an approximate $160 million net discrete tax benefit, primarily associated with the remeasurement of reserves and related interest relating to the status of multi-year Internal Revenue Service tax examinations.

The estimated enactment discrete tax provision incorporates assumptions made based upon the Company’s current interpretation of the Tax Act, and may change as we receive additional clarification and implementation guidance and as the interpretation of the Tax Act evolves over time.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management’s current estimates, projections, expectations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. The forward-looking statements contained in this Current Report on Form 8-K relating to the impact of the newly enacted Tax Act are based on currently available information, as well as our current interpretations, assumptions and expectations relating to the Tax Act, and are subject to change, possibly materially, as the Company completes its year-end financial statements. For a discussion of additional risks and uncertainties that may affect the future results of the Company, please see “Forward-Looking Statements” immediately preceding Part I, Item 1, “Competition” and “Supervision and Regulation” in Part I, Item 1, “Risk Factors” in Part I, Item 1A, “Legal Proceedings” in Part I, Item 3, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 and “Quantitative and Qualitative Disclosures about Market Risk” in Part II, Item 7A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 and other items throughout the Form 10-K, the Company’s Quarterly Reports on Form 10-Q and the Company’s Current Reports on Form 8-K, including any amendments thereto.

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| **Item 2.02.** | **Results of Operations and Financial Condition.** |

On January 5, 2018, IDEXX Laboratories, Inc. (the “Company”) issued a press release discussing the impact on the Company of the enactment on December 22, 2017 of the Tax Cuts and Jobs Act (the “Tax Legislation”), the full text of which is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The Company estimates, based on currently available information, that the Tax Legislation will benefit the Company by reducing its recurring effective tax rate beginning in 2018 by approximately 750-850 basis points. The Company also estimates that the enactment of the Tax Legislation will result in a one-time reduction of approximately $35 million - $45 million in the Company’s earnings for the fourth quarter and year ended December 31, 2017, due to the deemed repatriation of the Company’s foreign profits, net of the remeasurement of U.S. deferred taxes at the lower enacted corporate tax rate and other adjustments.

The impact of the Tax Legislation may differ from the estimates above, possibly materially, due to, among other things, changes in interpretations and assumptions the Company has made, guidance that may be issued and actions the Company may take as a result of the Tax Legislation. The Company will continue to analyze the Tax Legislation to determine the full effects of the new law, including the new lower corporate tax rate, on its financial statements and operations.

The Company will announce financial results for the fourth quarter and year ended December 31, 2017 on February 1, 2018.

In accordance with general instructions to Form 8-K, the information in this Form 8-K and Exhibit 99.1 attached hereto is being furnished under Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Section 8 - Other Events**

**Item 8.01. Other Events.**

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the Act).  While management is still evaluating the impacts of the Act and timing for utility rate adjustments, adjusted non-GAAP operating earnings per share for Exelon Corporation (Exelon) is expected to increase by approximately $0.10 on a run-rate basis in 2019 relative to Exelon’s projections before the Act.  The Registrants are still quantifying the impacts of the Act on their results of operations and financial positions as of December 31, 2017 and the amount and timing of the cash impacts will depend on the period over which certain income tax benefits are provided to customers, which may vary from jurisdiction to jurisdiction.

Pursuant to the Act, Exelon, Exelon Generation Company, LLC (Generation), Commonwealth Edison Company (ComEd), PECO Energy Company (PECO), Baltimore Gas and Electric Company (BGE), Pepco Holdings LLC (PHI), Potomac Electric Power Company (Pepco), Delmarva Power & Light Company (DPL) and Atlantic City Electric Company (ACE) (the Registrants) are required to remeasure their existing deferred income tax balances as of December 31, 2017 to reflect the decrease in the corporate income tax rate from 35 percent to 21 percent beginning January 1, 2018, which is expected to result in a material decrease to their net deferred income tax liability balances.  Generation will record a corresponding net decrease to income tax expense, while ComEd, PECO, BGE, PHI, Pepco, DPL, and ACE (the Utility Registrants) will record corresponding regulatory liabilities given that changes in income taxes are generally passed through in customer rates.  The one-time 2017 impacts of the Act will be excluded from Exelon’s 2017 adjusted non-GAAP operating earnings.

Beginning in 2018, Generation will incur lower income tax expense, which will decrease its projected effective income tax rate, even with the elimination of the domestic production activities deduction, and increase its net income.  Generation’s operating cash inflows are also expected to increase beginning in 2018 reflecting the lower income tax rates and full expensing of capital investments.  Generation’s projected effective income tax rate in 2018, 2019, and 2020 is expected to be approximately 22 percent.

Beginning in 2018, the Utility Registrants’ will incur lower income tax expense, which will generally decrease their projected effective income tax rates. The Act is expected to lead to lower customer rates over time due to lower income tax expense recoveries and the refund of deferred income tax regulatory liabilities, partially offset by the impacts of higher rate base. The Act is expected to lead to an incremental increase in rate base of approximately $1.6 billion by 2020 relative to our previous expectations across the Utility Registrants.  The increased rate base will be funded consistent with each utility jurisdiction, using a combination of debt and equity funding from Exelon with the increased cash flows at Generation exceeding the incremental equity needs at the Utility Registrants. The Act is generally expected to result in lower operating cash inflows for the Utility Registrants as a result of the elimination of bonus depreciation and lower customer rates.

Exelon Corporate expects that the interest on its debt will continue to be fully tax deductible albeit at a lower tax rate.

ComEd and BGE plan to make filings on January 5, 2018 with their state regulatory commissions to begin passing back income tax savings resulting from the Act to their customers. Copies of the ComEd and BGE press releases are attached to this report as Exhibits 99.1 and 99.2.  The other Utility Registrants also continue to work with their state regulatory commissions to determine the amount and timing of the income tax savings benefits for their customers.

**Item 8.01**                                           **Other Events**

On December 22, 2017, the U.S. government enacted comprehensive tax legislation known as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act makes broad and complex changes to the U.S. Internal Revenue Code, including reducing the corporate income tax rate and imposing a tax on accumulated cash and non-cash earnings held outside of the United States.

We have performed preliminary analyses of the impacts of the Tax Act using information available at this time. We estimate that we will record additional GAAP tax expense in the fourth quarter of 2017 in a range of $250 million to $300 million related to the revaluation of net deferred tax assets and the repatriation tax on undistributed earnings of certain non-U.S. subsidiaries.

The impact of the Tax Act may differ from the above estimates due to, among other things, changes in interpretations and assumptions we have made, Internal Revenue Service and Treasury Department guidance that may be issued and actions we may take. The effects of Tax Act provisions are still being evaluated by management, and this Current Report does not purport to disclose all effects of the Tax Act which could have material positive or negative impacts on our current or future tax position.

We will announce financial results for the quarter and year ended December 30, 2017, on January 31, 2018.

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| **Item 8.01.** | **Other Events** |

On December 22, 2017, President Donald Trump signed into law H.R.1, formerly known as the Tax Cuts and Jobs Act of 2017 (the “Act”). The Act makes significant changes to U.S. corporate income tax laws including a decrease in the corporate income tax rate to 21% effective January 1, 2018. As a result, United Bankshares, Inc. (“United” or the “Company”) has concluded that this will cause the Company’s deferred tax assets and liabilities to be revalued. Based on a review and analysis of the Company’s net deferred tax assets as of September 30, 2017, it is expected that United’s net deferred tax assets will be reduced by approximately $38 to $42 million for the fourth quarter of 2017 based upon preliminary estimates.

United’s actual reduction in its net deferred tax assets may vary materially from the estimated range due to a number of uncertainties and factors, including the completion of United’s consolidated financial statements as of and for the year ending December 31, 2017. The Company’s revaluation of its net deferred tax assets is also subject to further clarification of the impact of the new law that cannot be reasonably estimated at this time.

United plans to release its fourth quarter and year of 2017 financial results before the market opens on Tuesday, January 30, 2018.

*Forward-Looking Statements*

*This Current Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements regarding the Company’s expectations regarding certain effects of the new tax law, including a revaluation of the Company’s deferred tax assets and liabilities. Forward-looking statements can be identified by the use of the words “anticipate,” “believe,” “expect,” “intend,” “could” and “should,” and other words of similar meaning. These forward-looking statements express management’s current expectations or forecasts of future events and, by their nature, are subject to risks and uncertainties and there are a number of factors that could cause actual results to differ materially from those in such statements. Factors that might cause such a difference include, but are not limited to: interpretations and clarifications regarding the new tax law; actual changes in the value of the Company’s deferred tax assets and liabilities during the fourth quarter of 2017; and other factors identified in the Company’s Annual Report on Form 10-K and other periodic filings with the SEC. These forward-looking statements are made only as of the date of this Current Report, and the Company does not undertake an obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this document.*

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| **ITEM 8.01.** | **OTHER EVENTS** |

Bristol-Myers Squibb Company (the “Company”) is providing an update regarding the expected impact of the Tax Cuts and Jobs Act of 2017 on its financial results.

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| The Company estimates that the impact of tax reform will result in additional net tax expense of approximately $3 billion in the fourth quarter of 2017 primarily related to taxes on unremitted offshore earnings.  This charge will impact the Company’s previously provided 2017 Generally Accepted Accounting Principles (“GAAP”) tax rate and earnings per share guidance but is not expected to have an impact on non-GAAP guidance. |

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| The Company is still evaluating all the provisions of the tax reform legislation and currently estimates that the net impact of tax reform on the non-GAAP tax rate as roughly neutral in 2018; this will be updated when the Company provides full year guidance for 2018 on its fourth quarter/full-year 2017 earnings call on February 5, 2018. |

**Statement on Cautionary Factors**

This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding, among other things, statements relating to goals, plans and projections regarding the Company’s financial position, results of operations, market position, product development and business strategy. These statements may be identified by the fact that they use words such as “anticipate”, “estimates”, “should”, “expect”, “guidance”, “project”, “intend”, “plan”, “believe” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. These factors include, among other things, effects of the continuing implementation of governmental laws and regulations related to Medicare, Medicaid, Medicaid managed care organizations and entities under the Public Health Service 340B program, pharmaceutical rebates and reimbursement, market factors, competitive product development and approvals, pricing controls and pressures (including changes in rules and practices of managed care groups and institutional and governmental purchasers), economic conditions such as interest rate and currency exchange rate fluctuations, judicial decisions, claims and concerns that may arise regarding the safety and efficacy of in-line products and product candidates, changes to wholesaler inventory levels, variability in data provided by third parties, changes in, and interpretation of, governmental regulations and legislation affecting domestic or foreign operations, including tax obligations, changes to business or tax planning strategies, difficulties and delays in product development, manufacturing or sales including any potential future recalls, patent positions and the ultimate outcome of any litigation matter. These factors also include the Company’s ability to execute successfully its strategic plans, including its business development strategy, the expiration of patents or data protection on certain products, including assumptions about the Company’s ability to retain patent exclusivity of certain products, and the impact and result of governmental investigations. There can be no guarantees with respect to pipeline products that future clinical studies will support the data described in this release, that the compounds will receive necessary regulatory approvals, or that they will prove to be commercially successful; nor are there guarantees that regulatory approvals will be sought, or sought within currently expected timeframes, or that contractual milestones will be achieved. For further details and a discussion of these and other risks and uncertainties, see the Company’s periodic reports, including the annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, filed with or furnished to the Securities and Exchange Commission. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

**Sample 10-Q Disclosures**

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act tax reform legislation. While the Company continues to assess the impact of the tax reform legislation on its business and consolidated financial statements, the legislation does reduce the U.S. corporate tax rate from the current rate of 35% to 21%. At December 2, 2017, the Company had a deferred tax liability of approximately $75.3 million based on a U.S. federal tax rate of 35%. Since this legislation was enacted after the close of our second quarter of fiscal 2018, this liability will be revalued at a lower rate during our third quarter of fiscal 2018, which ends on March 3, 2018. This revaluation will result in a benefit to income tax expense in continuing operations and a corresponding reduction in the deferred tax liability. Consequently, the Company’s effective tax rate for the thirteen and twenty-six ended December 2, 2017 does not include the impact of any potential tax reform, as it was not enacted before December 2, 2017. The Company expects a reduction to its effective tax rate for the thirteen and thirty-nine weeks ending March 3, 2018.

***Provision for Income Taxes***

Our effective tax rate for Third Quarter 2018 and Third Quarter 2017 was 23.2% and 16.3%, respectively. For Third Quarter 2018, our effective tax rate benefited primarily from (i)  lower effective tax rates applicable to our foreign businesses, including our assertion regarding indefinitely reinvesting earnings of certain foreign subsidiaries, which was initially asserted in Third Quarter 2017, and (ii)  the recognition of the income tax effect of stock-based compensation awards in the income statement when the awards vest or are settled in connection with our March 1, 2017, adoption of the FASB amended share-based compensation guidance.

As noted, for Third Quarter 2017, our effective tax rate benefited primarily from the change during the quarter in our assertion regarding our ability and intent to indefinitely reinvest undistributed earnings of certain foreign subsidiaries.

In December 2017, the Tax Cuts and Jobs Act was signed into law, which will result in significant changes to U.S. tax rules. We are currently assessing the impact of this legislation on our consolidated financial statements for Fiscal 2018 and beyond. Based on our preliminary analysis, our expectation is that the reduction in the corporate federal statutory tax rate, effective January 1, 2018, will result in a reduction in our existing net deferred tax liabilities by a range of $300 million to $400 million. This benefit will be recorded during the fourth quarter of fiscal 2018.

We expect our effective tax rate for Fiscal 2018 to be approximately 20%, excluding the impact of the Tax Cuts and Jobs Act. This includes the assertion of our intent for certain foreign earnings to be indefinitely reinvested and a favorable benefit from our March 1, 2017, adoption of the FASB amended guidance requiring the recognition of the income tax effect of stock based compensation awards in the income statement when the awards vest or are settled.

**Note 16 – Subsequent Event**

On December 22, 2017 the Tax Cuts and Jobs Act of 2017 was signed into law. The provisions of the law include a reduction of the corporate tax rate and the taxation of a multi-national corporation’s permanently reinvested foreign earnings. The Company is currently evaluating the impact to its financial statements.

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| **Note 13 — Subsequent Events** |

On December 22, 2017, the United States enacted tax reform legislation through the Tax Cuts and Jobs Act, which significantly changes the existing U.S. tax laws, including a reduction in the corporate tax rate from 35% to 21%, a move from a worldwide tax system to a territorial system, as well as other changes. As a result of enactment of the legislation, the Company anticipates incurring additional one-time income tax expense during the third quarter of fiscal 2018, primarily related to the transition tax on accumulated foreign earnings, the repeal of foreign tax credits and the remeasurement of certain deferred tax assets and liabilities, which is anticipated to be material. The Company continues to evaluate the impact the new legislation will have on the Consolidated Financial Statements. However, as the assessment is ongoing, the Company is not able to quantify the impact on the Consolidated Financial Statements at this time.

**Income Taxes**

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|  |  | **Three Months Ended November 30,** | | | | | | |  | **Six Months Ended November 30,** | | | | | | |
|  |  | **2017** | |  | **2016** | |  | **% Change** |  | **2017** | |  | **2016** | |  | **% Change** |
| Effective tax rate |  | 12.7 | % |  | 24.4 | % |  | (1,170) bps |  | 12.0 | % |  | 12.7 | % |  | (70) bps |

Our effective tax rate was 12.7% for the second quarter of fiscal 2018, compared to 24.4% for the second quarter of fiscal 2017, reflecting the tax benefit from stock-based compensation in the current period as a result of the adoption of ASU 2016-09 in the first quarter of fiscal 2018, as well as an increase in the mix of earnings from operations outside of the United States, which are generally subject to a lower tax rate.

Our effective tax rate was 12.0% for the first six months of fiscal 2018 compared to 12.7% for the first six months of fiscal 2017. The change was primarily due to the tax benefit as a result of the adoption of ASU 2016-09 in the first quarter of fiscal 2018, partially offset by one-time benefits related to the resolution with the IRS of a foreign tax credit matter in the prior year period and, to a lesser extent, a prior year period adjustment to the deferred tax asset related to our nonqualified deferred compensation program.

On December 22, 2017, the United States enacted tax reform legislation through the Tax Cuts and Jobs Act which significantly changes the existing U.S. tax laws, including a reduction in the corporate tax rate from 35% to 21%, a move from a worldwide tax system to a territorial system, as well as other changes. As a result of enactment of the legislation, we anticipate incurring additional one-time income tax expense during the third quarter of fiscal 2018, primarily related to the transition tax on accumulated foreign earnings, the repeal of foreign tax credits and the remeasurement of certain deferred tax assets and liabilities, which is anticipated to be material. We continue to evaluate the impact the new legislation will have on the Consolidated Financial Statements. However, as the assessment is ongoing, we are not able to quantify the impact on the Consolidated Financial Statements at this time.

**14. Subsequent Events**

On December 21, 2017, the Board declared a quarterly cash dividend of 20 cents per share, which will be paid on February 9, 2018 to the shareholders of record on January 12, 2018.

The Tax Cuts and Jobs Act (the “Act”) was enacted on December 22, 2017 and is effective for tax years beginning after December 31, 2017.  The Company is currently evaluating the impact of the Act on the consolidated financial statements.  Management expects the Company’s effective tax rate and net deferred tax liabilities to decrease as a result of the reduction of the corporate tax rate from 35% to 21%, which will be partially offset by the elimination or reduction of certain tax deductions.

In conjunction with the signing of the Act, the Ennis Board of Directors approved a special one-time bonus to more than 2,200 non-management employees in the amount of $500 each.  This payment will take place with the first payroll period in January 2018.

In addition, in response to the Act, the Board of Directors declared a special one-time cash dividend of 10 cents per share of our common stock.  The dividend will be paid on February 9, 2018 to the shareholders of record on January 12, 2018.

***U.S. federal income tax reform could adversely affect us.***

On December 22, 2017, President Trump signed into law the “Tax Cuts and Jobs Act” (TCJA) that significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest, allows for the expensing of capital expenditures, and puts into effect the migration from a “worldwide” system of taxation to a territorial system. We do not expect tax reform to have a material impact to our projection of minimal cash taxes or to our net operating losses. Our net deferred tax assets and liabilities will be revalued at the newly enacted U.S. corporate rate, and the impact will be recognized in our tax expense in the year of enactment. We continue to examine the impact this tax reform legislation may have on our business. The impact of this tax reform on holders of our common stock is uncertain and could be adverse. This prospectus does not discuss any such tax legislation or the manner in which it might affect purchasers of our common stock. We urge our stockholders, including purchasers of common stock in this offering, to consult with their legal and tax advisors with respect to such legislation and the potential tax consequences of investing in our common stock.

**SAMPLE 162(m) Disclosures Regarding Impact of Tax Reform**

***Section 162(m) Compliance***. Section 162(m) of the Code, as amended by the 2017 Tax Act, generally limits the deductibility of compensation paid by a publicly-held company to a “covered employee” for a taxable year to $1 million. “Covered employees” include our Chief Executive Officer, Chief Financial Officer and our next three highest compensated named executive officers. Effective for taxable years beginning prior to January 1, 2018, an exception to this deduction limit applied to “performance-based compensation”, such as stock options and other equity awards, that satisfies certain criteria. The exception for “performance-based compensation” continues to apply to certain written binding contracts which were in effect on November 2, 2017 and that are not modified in any material respect on or after that date.

Unless materially modified, stock options and other equity awards made under the Plan prior to January 1, 2018 should be exempt from the Section 162(m) deductibility limit because they were granted before this initial public offering. However, in light of the elimination of the exception to the Section 162(m) deduction limit for performance-based compensation, we will not be able to deduct amounts with respect to stock options and other equity awards made under the Plan on or after January 1, 2018 in excess of the Section 162(m) limit.

The Plan includes certain terms that were intended to allow awards to be made that would meet the Section 162(m) exception for performance-based compensation. In light of the elimination of the exception for performance-based compensation by the 2017 Tax Act effective for taxable years beginning on and after January 1, 2018, those provisions are no longer relevant. However, a Plan limitation intended to satisfy the Section 162(m) exception for performance-based compensation will continue to apply. Under that limitation, the maximum number of shares of our common stock with respect to which any one participant may be granted stock options or stock appreciation rights under the Plan during any calendar year is 1,500,000 shares.

Tax Considerations

In evaluating compensation program alternatives, the Compensation Committee considered the potential impact on the Company of Section 162(m) of the Code. Section 162(m) limited to $1 million the amount that a publicly traded corporation, such as the Company, may deduct for compensation paid in any year to its chief executive officer and certain other named executive officers (“covered employees”). At the time the Compensation Committee made its compensation decisions, the tax law provided that compensation which qualified as “performance-based” was excluded from the $1 million per covered employee limit if, among other requirements, the compensation was payable only upon attainment of pre-established, objective performance goals under a plan approved by our stockholders. However, this exception was repealed in the tax reform legislation signed into law on December 22, 2017. As a result, it is uncertain whether compensation that the Compensation Committee intended to structure as performance-based compensation under Section 162(m) will be deductible.

As a general matter, in making its previous NEO compensation decisions, the Compensation Committee endeavored to maximize deductibility of compensation under Section 162(m) to the extent practicable while maintaining competitive compensation. The Compensation Committee, however, believes that it is important for it to retain maximum flexibility in designing compensation programs that are in the best interests of the Company and its stockholders.

*Deductibility of Executive Compensation*

Section 162(m) of the Internal Revenue Code denies a federal income tax deduction for certain compensation in excess of $1.0 million per year paid to certain employees of publicly traded companies.  Beginning January 1, 2018, on account of the passage and signing of the Tax Reform Act, this limitation will apply to the chief executive officer, chief financial officer, any other named executive officers and anyone who is such a covered person after December 31, 2016.  Prior to January 1, 2018, this limitation only applied to the chief executive officer and the three most highly-paid executive officers of the company (other than the chief executive officer and chief financial officer).  In addition, prior to January 1, 2018, compensation that met the requirements of performance-based compensation under Section 162(m) of the Internal Revenue Code was excluded from the deduction limit.  Beginning January 1, 2018 (with the exception of certain grandfathered arrangements), a deduction will be denied for any compensation payable to covered employees that exceeds $1.0 million, regardless of whether such compensation is performance-based compensation.  To retain highly skilled executives and remain competitive with other employers, the compensation committee may authorize compensation that will not be deductible under Section 162(m) or otherwise.