(2) Consists of the difference between the U.S. statutory rate and local jurisdiction tax rates, as well as the provision for incremental U.S. taxes on unremitted earnings of certain foreign subsidiaries offset by foreign tax credits and other foreign adjustments.

(3) Represents the recognition of the income tax effect of stock-based compensation awards in the income statement when the awards vest or are settled as a result of our March 1, 2017, adoption of FASB amended share-based compensation guidance (see Note 17).

Deferred tax assets and liabilities reflect the future income tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates that apply to taxable income.

Significant components of deferred tax assets (liabilities) consist of the following:

(in millions)	February 28, 2019	February 28, 2018
Deferred tax assets		
Intangible assets	$ 1,616.7	$ —
Loss carryforwards	147.8	106.0
Stock-based compensation	33.4	29.1
Inventory	20.3	18.3
Other accruals	93.4	81.1
Gross deferred tax assets	1,911.6	234.5
Valuation allowances	(86.9)	(112.1)
Deferred tax assets, net	1,824.7	122.4
Deferred tax liabilities		
Intangible assets	—	(499.8)
Property, plant and equipment	(191.5)	(197.8)
Investments in unconsolidated investees	(448.9)	(78.2)
Provision for unremitted earnings	(22.8)	(21.2)
Derivative instruments	(7.9)	(19.8)
Total deferred tax liabilities	(671.1)	(816.8)
Deferred tax assets (liabilities), net	$ 1,153.6	$ (694.4)

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some or all of the deferred tax assets will not be realized. In making this assessment, we consider the projected reversal of deferred tax liabilities and projected future taxable income. Based upon this assessment, we believe it is more likely than not that we will realize the benefits of these deductible differences, net of any valuation allowances.

As of February 28, 2019, operating loss carryforwards, which are primarily state and foreign, totaling $833.3 million are being carried forward in a number of jurisdictions where we are permitted to use tax operating losses from prior periods to reduce future taxable income. Of these operating loss carryforwards, $745.5 million will expire in fiscal 2020 through fiscal 2039 and $87.8 million of operating losses in certain jurisdictions may be carried forward indefinitely. Additionally, as of February 28, 2019, federal capital losses totaling $222.3 million are being carried forward and will expire in fiscal 2022.

We have recognized valuation allowances for operating loss carryforwards, capital loss carryforwards and other deferred tax assets when we believe it is more likely than not that these items will not be realized. The decrease in our valuation allowances as of February 28, 2019, primarily relates to the reversal of valuation allowances in connection with the sale of our Accolade Wine Investment in the first quarter of fiscal 2019.