14. Other Long-term Liabilities

Other long-term liabilities consist of the following (in thousands):

	2007	2006
Deferred compensation plan	$ 10,595	$ 9,983
Minority interest - joint ventures	8,035	6,227
Captive insurance claims loss reserves	5,495	8,944
Interest rate swaps	2,048	11
Minority interest - variable interest entities	613	1,381
Other	649	756
Total	$ 27,435	$ 27,302

15. Income Taxes

A summary of the provision (benefit) for income taxes, exclusive of the tax effects related to discontinued operations, follows (in thousands):

	2007	2006	2005
Current:			
Federal	$ 21,107	$ 26,425	$ 18,569
Foreign	620	619	234
State and local	2,345	2,936	2,176
Deferred (federal and state)	(10,779)	3,191	4,385
Total	$ 13,293	$ 33,171	$ 25,364

Significant deferred tax assets (liabilities) follow (in thousands):

	2007	2006
Unearned development fees	$ 2,214	$ 2,524
Accrued liabilities	11,857	11,472
Other assets and liabilities	4,543	4,189
BIBP net operating loss	11,324	—
Stock options	3,569	2,531
Other	802	58
Foreign net operating losses	4,504	2,351
Valuation allowance on foreign net operating losses	(4,504)	(2,351)
Total deferred tax assets	34,309	20,774
Deferred expenses	(2,794)	(1,045)
Accelerated depreciation	(3,932)	(5,212)
Goodwill	(4,255)	(2,410)
Other	(3,797)	(4,102)
Total deferred tax liabilities	(14,778)	(12,769)
Net deferred tax assets	$ 19,531	$ 8,005

15. Income Taxes (continued)

The Company had approximately $15.2 million and $7.8 million of foreign tax net operating loss carryovers as of December 30, 2007 and December 31, 2006, respectively, for which a valuation allowance has been provided. A substantial majority of our foreign tax net operating losses do not have an expiration date.

Management believes it is more likely than not that the Company's future earnings will be sufficient to ensure the realization of the recorded net deferred tax assets for federal and state purposes.

The reconciliation of income tax computed at the U.S. federal statutory rate to income tax expense, exclusive of income associated with discontinued operations, for the years ended December 30, 2007, December 31, 2006 and December 25, 2005 is as follows (in thousands):

	2007	2006	2005
Tax at U.S. federal statutory rate	$ 16,110	$ 33,655	$ 24,388
State and local income taxes	1,167	2,501	1,839
Foreign income taxes	620	619	449
Settlement of certain tax issues	(3,408)	(2,494)	—
Tax credits and other	(1,196)	(1,110)	(1,312)
Total	$ 13,293	$ 33,171	$ 25,364

Income taxes paid were $24.0 million in 2007, $28.0 million in 2006 and $15.3 million in 2005.

The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. The Company, with few exceptions, is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2003. The Company is currently undergoing examinations by various state and local tax authorities. The Company anticipates that the finalization of these current examinations and other issues could result in a decrease in the liability for unrecognized tax benefits (and a decrease of income tax expense) of approximately $850,000 during the next 12 months.

A reconciliation of the beginning and ending liability for unrecognized tax benefits is as follows (in thousands):

	2007
Balance at December 31, 2006	$ 8,009
Cumulative effect of adoption of FIN 48	(614)
Adjusted beginning balance	7,395
Additions based on tax positions related to current year	357
Additions for tax positions of prior years	107
Reductions for lapse of statute of limitations	(1,826)
Settlements	(60)
Other	(124)
Balance at December 30, 2007	$ 5,849

15. Income Taxes (continued)

The Company recognizes interest accrued and penalties related to unrecognized tax benefits as a part of income tax expense. The Company's 2007 income tax expense includes an interest benefit of $253,000, while income tax expense for 2006 and 2005 includes interest expense of $721,000 and $299,000, respectively. The Company had approximately $1.9 million and $2.5 million for the payment of interest and penalties accrued at December 30, 2007 and December 31, 2006, respectively.

16. Related Party Transactions

Certain of our officers and directors own equity interests in entities that operate and/or have rights to develop franchised restaurants. We had an employment agreement with one director, who continues to serve on the Board, under which $20,000 was paid in 2005. The employment agreement with this director was terminated during 2005.

Following is a summary of full-year transactions and year-end balances with franchisees owned by related parties and outstanding amounts due from the Marketing Fund and Papa Card, Inc. (in thousands):

	2007	2006	2005
Revenues from affiliates:			
Commissary sales	$ 17,656	$ 47,124	$ 57,681
Other sales	4,103	3,696	3,649
Franchise royalties	2,426	6,305	7,799
Franchise and development fees	65	15	5
Total	$ 24,250	$ 57,140	$ 69,134
Other income from affiliates	$ 61	$ 66	$ 378
Accounts receivable-affiliates	$ 864	$ 783	$ 2,363
Notes receivable-affiliates	$ —	$ —	$ 2,650

The above table excludes transactions and balances related to former non-management directors for the time period subsequent to their retirement or resignation from our Board.

We paid $251,000 in 2007, $80,000 in 2006 and $399,000 in 2005 for charter aircraft services provided by an entity owned by John Schnatter, Founder Chairman. We believe the rates charged to the Company were at or below rates that could have been obtained from independent third parties for similar aircraft.

Mr. Schnatter paid the Company $160,000 in 2005 for the salaries, bonuses and benefits of certain employees who performed work for both the Company and Mr. Schnatter based upon an assessment of their responsibilities to each (on average, approximately 35% of the total costs were paid by the Company and 65% were paid by Mr. Schnatter). Mr. Schnatter and the Company terminated this shared employment arrangement in September 2005, after which certain employees began working full-time for the Company and the remaining employees began working full-time for Mr. Schnatter. Additionally, the Company charged Mr. Schnatter $8,795 in 2005 related to approximately 800 square feet of Company office space utilized by these employees. Mr. Schnatter and his employees moved out of the Company office space in September 2005.