

PENNSYLVANIA TAX ISSUES -
OIL AND GAS DEVELOPMENT AND OPERATIONS

Allegheny Tax Society
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- I. Personal Income Tax Issues
 - A. Intangible Drilling Cost Deduction
 - 1. Summary of Federal rules
 - 2. Pennsylvania's position – PIT Guide – Chapter 24
 - 3. Taxpayer arguments
 - a. definition of depreciation - 72 PS 303 (a.2) & (a.3)
 - b. accepted accounting principles - 72 PS 303 (a)(2)
 - c. uniformity - Commonwealth v. Staley 239 A2d 377
 - d. Tax Planning
 - (i.) Production payment Rev Proc. 97-55 1997-2 (B582)
 - (ii) Family Partnerships Kimbell v. US 371 F3d 257 (2004)
 - (iii) Caltex v. Commissioner 138 TC No. 2 (2012)
 - B. Like Kind Exchanges
 - 1. PIT Guide - Chapter 12
 - 2. APBO 29
- II. Realty Transfer Tax
 - A. Transfer of Leases - 72 PS 8102 - c.3 (26)
 - B. Transfer in fee
 - C. Transfer of Well Bores
- III. Sales and Use Tax
 - A. Mining Exemption - Sales & Use Tax Bulletin 2012-1
 - B. Site Construction
 - 1. RJ Johnson (RJ Johnson 495 Pa 256 (1981))

- 2. Reclamation – SUT Mining Regulations 61 Pa Code 32.35
 - C. Transmission Lines
 - D. Compressors
- IV. Severance Tax
 - A. Review of current proposals
 - B. Legal Arguments - Commonwealth v. Staley 476 Pa 171 (1978)
- V. Impact Fees
 - A. Current Recent Legislation – Act 13
 - B. Legal Arguments - Fee v. Tax - Green Acres Apartments Inc. Appellant v. Bristol Township 373 Pa 159
 - C. Robinson Twp. v. Commonwealth 284 MD PA June 6, 2012
- VI. Inheritance Tax Value
 - A. Inheritance Tax Bulletin 2012-1