

Texas Society of
Certified Public Accountants
East Texas Chapter
P.O. Box 5100
Tyler, Texas 75712

Upcoming Chapter Events

(find more information at www.etcpa.org)

Saturday, August 20, 2011-1st Clays for CPAs, fundraiser for scholarships
Monday, October 24, 2011-Scholarship Golf Tournament, Cascades, Tyler
Monday & Tuesday, December 5-6, 2011-Oil and Gas Taxation, Pat Hennessee
Thursday, Jan. 12, 2012-Oil and Gas Partnerships, Pat Hennessee
Thursday, January 19, 2012-Tax Update, Steve Tillinger
Tuesday & Wednesday, June 19-20, 2012-Partnerships CPE, Steve Tillinger
Monday and Tuesday, August 6-7, 2012-A & A CPE, Mike Inzina



2012 OIL AND GAS PARTNERSHIPS CPE

8 Hours Continuing Education

Thursday, January 12, 2012

Ornelas Activity Center – UT Tyler

3402 Old Omen Rd

Tyler TX 75707

Sponsored by
East Texas Chapter
Texas Society of
Certified Public Accountants
Sponsor # 269

ABOUT OUR PRESENTER, DR. PAT HENNESSEE

Dr. Hennessee is Professor Emeritus, University of Tulsa. Having been a CPA in both Oklahoma and Colorado, he is currently the editor and writer of Commerce Clearing House's Oil and Gas Federal Income Taxation. He has taught over 500 oil and gas tax related seminars to CPAs and attorneys and has had over 10,000 participants in his programs in the last 30 years. Dr. Hennessee also has a consulting practice with most of his clients in oil and gas exploration and production firms, or CPAs and attorneys advising on oil and gas issues. He has published numerous articles in both academic and professional journals, and recently retired from the University of Tulsa where he taught for over 30 years. While there, he served as Director of the School of Accounting; he initiated the University's Master of Taxation and later initiated the online Master of Taxation for the University.

- 8:15 a.m. Registration**
8:30 a.m. Oil and Gas Partnerships
12:00 p.m. Lunch (included in registration fee)
1:00 p.m. Oil and Gas Partnerships (cont'd)
4:30 p.m. Adjourn

Oil and Gas Partnerships

Presented by Dr. Pat Hennessee

This jam-packed, one-day seminar focuses on specific issues encountered by oil and gas partnerships. Federal income tax treatment of oil and gas partnerships is unique: tax rules of subchapter K or the IRC are applied differently to oil and gas exploration/production than any other type of business.

Course Objectives:

Participants will have understanding of the ins and outs of oil and gas partnerships and related tax implications as related to:

- Primary tax differences between an oil and gas joint venture and an oil and gas tax partnership and how to make the tax election for an entity to be treated as a joint venture or remain a tax partnership.
- Requirements of the section 704(b) regulations of oil and gas partnerships.
- Computation of basis allocations of oil and gas properties to each partner. Computation of partners' gains/losses on the partnership's sale of oil and gas properties and tax on oil and gas properties contributed to partnerships.
- Tax issues dealing with distributions of oil and gas properties from partnerships to partners.
- Participants will be able to compute the tax effects relating to oil and gas properties contributed to partnerships.

Course Outline:

1. Subchapter K – Tax Partnerships and Joint Ventures in Oil and Gas
 - A. Introduction to the course
 - B. Overview of Subchapter K
 - C. A Tax Partnership vs. Joint Ventures
 - D. § 761 and Electing out of Subchapter K
 - E. Some Issues Relating to a Partnership Formation
 - F. Self-Employment Tax Issues
2. Partnership Operating Issues in Oil and Gas
 - A. Basis allocations of an Oil & Gas Property
 - B. Depletion and IDC Issues
 - C. § 704(b) Allocations

- D. The Sale of an Oil and Gas Property
 - E. § 59(e) Elections
3. Allocations with Respect to Contributed Property
 - A. The Nuts and Bolts of § 704(c) Allocations
 - B. § 704(c) Allocations of Contributed Oil and Gas Property
 - C. IRS Position on a “Hold Your Own Approach”
4. Sale of an Oil and Gas Partnership Interest
 - A. Bifurcation of Gain between § 741 and § 751
 - B. The Sale of an Partnership Interest holding Oil and Gas Properties - Sec. 1254 Recapture as Unrealized Receivables
 - C. Buying a Partnership Interest Holding Oil and Gas Properties
 - D. The Effect of § 754 elections
5. Partnership Distributions of Oil and Gas Properties
 - A. The Distribution Rules In General
 - B. Distributions of Oil and Gas Properties
 - C. The effects of § 754 Elections
 - D. Disproportionate Distributions of Hot Assets

Proposed Audience: Internal corporate and external accountants, CPAs, analysts, auditors and attorneys working with oil and gas companies will benefit from this intermediate level oil and gas partnership course.

Prerequisites: Accounting knowledge

 All cell phones should be silent during presentation. Thank you for respecting this request.

Return completed form with payment to:

East Texas Chapter TSCPA, P.O. Box 5100, Tyler, Texas 75712

or register and pay online at: www.etcpa.org (no Paypal account necessary)

Direct questions to Ann Tague at 903-530-6687

Cancellation Deadline: Noon, January 5, 2012

(Registrations postmarked after the 5th, add \$25)

Name _____

Company _____

Phone _____ Email _____

CHECK ONE

ETCTSCPA Members

Non-Members

\$300 Full Day

\$400 Full Day