

2010

TEXAS MARGIN TAX

A Tax Advisor's Guide to the Tough Issues



February 11, 2010
AT&T Conference Center
Austin, Texas

February 18, 2010
South Texas College of Law
Houston, Texas

February 23, 2010
Belo Mansion
Dallas, Texas

Special \$250 State Employee Registration Fee

Earn up to 7.25 Hours of MCLE Credit | 8.00 Hours of CPE Credit for Accountants

Specialization Credit Approved for Tax Law

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MORNING

Presiding Officer:
Christina A. Mondrik,
Mondrik & Associates, Austin, TX

8:00 a.m. Registration Opens
Includes continental breakfast.

8:50 a.m. Welcoming Remarks

9:00 a.m. 1.00 hr

Franchise Tax Audits

The audit process, records needed, and common errors.

Moderator:

Cynthia M. Ohlenforst, Dallas, TX

Panelists:

Gary Dullum, Houston, TX

Bobby Lebkowsky, Dallas, TX

Ted Pace, Houston, TX

10:00 a.m. .50 hr

Surviving an Audit by the Texas Comptroller of Public Accounts

With the Texas Comptroller's office significantly increasing its audit work force, taxpayers can expect an increase in audits and likely more aggressive assessments. This presentation covers important dos and don'ts and other matters that tax practitioners should keep in mind as they help navigate their clients through an audit by the Texas Comptroller of Public Accounts.

David E. Colmenero, Dallas, TX

10:30 a.m. Break

10:45 a.m. .50 hr

Service Businesses and Total Revenue: Getting to Net

Determining the total revenue tax base is especially important for service businesses. What must be included and what may be excluded? This presentation focuses on what is properly reportable as income for franchise tax purposes, and when federal income tax requirements will or will not support such reporting on a net result of operations.

Ira A. Lipstet, Austin, TX

11:15 a.m. 1.00 hr

Cost of Goods Sold (COGS): Answering the Tough Questions

Many taxpayers have said COGS is the "800 pound gorilla" of the revised Texas franchise tax law. This session presents some of the questions regarding COGS and perhaps brings up a few that most taxpayers have not thought about.

Steven W. Anderson, Houston, TX

AFTERNOON

Presiding Officer:

**Hon. Peter Brooks, State Office of
Administrative Hearings, Austin, TX**

LUNCHEON PRESENTATION

12:15 p.m. Pick up Box Lunch

Included in conference registration fee.

12:30 p.m. .75 hr

Who Bears the Burden of the Margin Tax?

The 2006 revisions to the franchise tax changed not only how the tax is calculated, but also who pays the tax and how they file. This discussion, featuring perspectives from both the public and private sectors, covers all of the major aspects of tax burden including how the tax shifted across industries, by size of taxpayer, and over different business forms. Historically, major shifts in tax burden are a major factor driving discussions of tax policy and will undoubtedly play a significant role in future discussions regarding the franchise tax.

Dale Craymer, Austin, TX

Michael Reissig, Austin, TX

1:15 p.m. Break

1:30 p.m. .50 hr

Manufacturing: Special Margin Tax Issues

A discussion and analysis of the benefits and pitfalls applicable to the manufacturing industry under the revised Texas franchise tax on taxable margin.

David H. Gilliland, Austin, TX

2:00 p.m. .50 hr

Special Margin Tax Issues for the Construction and Oil and Gas Industries

A consideration of special margin tax issues faced by the construction industry and the oil and gas industry. The discussion includes costs eligible for deduction; potential revenue exclusions and other margin tax issues for business entities engaged in real estate construction; repairs and remodeling; oil and gas production and refining; well servicing companies; and real estate subcontractors.

Christina A. Mondrik, Austin, TX

2:30 p.m. .50 hr

Real Estate and Passive Entities: Special Margin Tax Issues

Coverage of current issues involving real estate and passive entities, including the Comptroller's Proposed Rule on Margin Passive Entities; the treatment of rental and other income that flows from a partnership to a partner for purposes of determining whether the partner qualifies as a passive entity; and reporting requirements for passive entities. The session also examines the issue of whether a landlord may recover from a tenant a portion of the margin tax imposed on the landlord pursuant to common expense reimbursement clauses contained in leases entered into prior to the enactment of the margin tax.

Daniel J. Micciche, Dallas, TX

3:00 p.m. Break

3:15 p.m. 1.00 hr

Planning Opportunities and Pitfalls

The days of relying solely on the "old reliable" LP planning structures have gone the way of the dinosaur, but planning opportunities to save taxes still exist. This session presents ways to save taxes by thinking ahead (including elimination of Texas receipts through planning) and ways of paying more in taxes resulting from not thinking ahead (including tiered partnership elections and other bad choices). Also included, a discussion of the Comptroller's consideration of an economic substance rule.

Karey W. Barton, Austin, TX

Ray H. Langenberg, Austin, TX

HOW TO REGISTER

Mail your registration to:

The University of Texas
School of Law
Attn. CLE—TM10
P.O. Box 7759
Austin, TX 78713-7759

Or fax to:
512-475-6876

Or register online:
www.utcle.org

Questions? Call us at 512-475-6700

4:15 p.m.

1.00 hr

Ask the Tax Policy Experts

Are you still bewildered, puzzled, troubled, uncertain, or perplexed by the Revised Texas Franchise Tax? If so, this is your opportunity to pose your "sixty-four-thousand-dollar-question" directly to Senior Policy Analysts in the franchise tax section of the Comptroller's office. Panelists Teresa Bostick and Janet Spies spend an hour demystifying some of the complexities of the franchise tax. Come with your questions! Hon. Peter Brooks moderates the discussion.

Moderator:

Hon. Peter Brooks, Austin, TX

Panelists:

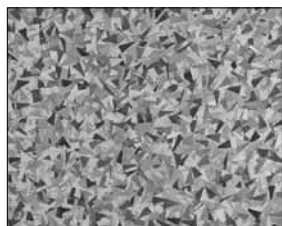
Teresa Bostick, Austin, TX

Janet Spies, Austin, TX

5:15 p.m.

Adjourn

ABOUT THE COVER



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Mail this registration form to:

The University of Texas School of Law, Attn. CLE—TM10
P.O. Box 7759, Austin, TX 78713-7759 or fax a copy to: (512) 475-6876

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REGISTRATION:

Includes Course Binder and Luncheon Presentation

AUSTIN—Thursday, February 11, 2010

- ☐ Early Registration Fee due by Wednesday, February 3, 2010 \$325.00
- ☐ Registration Fee after Wednesday, February 3, 2010 \$375.00
- ☐ State Employee Registration Fee (\$300 after Wednesday, February 3, 2010) \$250.00

HOUSTON—Thursday, February 18, 2010

- ☐ Early Registration Fee due by Wednesday, February 10, 2010 \$325.00
- ☐ Registration Fee after Wednesday, February 10, 2010 \$375.00
- ☐ State Employee Registration Fee (\$300 after Wednesday, February 10, 2010) \$250.00

DALLAS—Tuesday, February 23, 2010

- ☐ Early Registration Fee due by Monday, February 15, 2010 \$325.00
- ☐ Registration Fee after Monday, February 15, 2010 \$375.00
- ☐ State Employee Registration Fee (\$300 after Monday, February 15, 2010) \$250.00

CONFERENCE PUBLICATIONS AND MEDIA

Allow 3–5 weeks from the Dallas conference date for delivery.

- ☐ Course Binder Without Conference Registration \$150.00
Note: Conference registration includes Course Binder.
- ☐ Audio CD Set \$125.00
- ☐ Audio MP3 Speeches on CD \$90.00
- ☐ eBinder on CD (PDF format) \$150.00/\$50.00
(\$150 purchased alone, \$50 with registration or purchase of Course Binder or Audio CD Set or Audio MP3 Speeches on CD)

IN-HOUSE CLE: Bring the conference in-house and learn at your convenience.

Allow 3–5 weeks from the Dallas conference date for delivery.

- ☐ In-House CLE for 2—Includes Audio CD Set and Course Binder \$600.00
- _____ Add participants (includes Course Binder) for \$150 each \$ _____

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METHOD OF PAYMENT

- ☐ Check (make checks payable to: The University of Texas at Austin)
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*planning committee member

AUSTIN Thursday, February 11, 2010



AT&T CONFERENCE CENTER
The University of Texas
1900 University Avenue
Austin, TX 78705
512-404-3600

Special Room Rate: \$159
good through January 11, 2010 (subject to availability)

Parking: Self-parking \$5/day; Valet \$10/day;
(subject to change)

February 3, 2010, 5 p.m. last day for early registration
add \$50 if received after this time

February 5, 2010, 5 p.m. last day for full refund

February 8, 2010, 5 p.m. last day for partial refund
\$50 processing fee applied

February 11, 2010, 9:00 a.m. conference begins

HOUSTON Thursday, February 18, 2010



SOUTH TEXAS COLLEGE OF LAW
1303 San Jacinto Street
Houston, TX
713-659-8040

Parking: Self-parking lots nearby (subject to change)

February 10, 2010, 5 p.m. last day for early registration
add \$50 if received after this time

February 12, 2010, 5 p.m. last day for full refund

February 15, 2010, 5 p.m. last day for partial refund
\$50 processing fee applied

February 18, 2010, 9:00 a.m. conference begins

DALLAS Tuesday, February 23, 2010



BELO MANSION
2101 Ross Avenue
Dallas, TX 75201
214-220-0239

Parking: Self-parking \$5/day for Dallas Bar members,
\$10/day for non-Dallas Bar members (subject to change)

February 15, 2010, 5 p.m. last day for early registration
add \$50 if received after this time

February 17, 2010, 5 p.m. last day for full refund

February 19, 2010, 5 p.m. last day for partial refund
\$50 processing fee applied

February 23, 2010, 9:00 a.m. conference begins

MCLE

This course has been approved for Minimum Continuing Legal Education credit by the State Bar of Texas Committee on MCLE in the amount of 7.25 hours. The University of Texas School of Law is a State Bar of California approved MCLE provider (#1944).