

Fall 2014 Course Syllabus
ACCT 5340 – Oil and Gas Taxation

COBA – University of North Texas
Denton and
Offices of Huselton, Morgan & Maultsby, PC
12221 Merit Drive, Suite 1800, Dallas, TX 75251

Class Times 8/26/14 – 12/9/14 – Tuesdays 6:30 PM to 9:20 PM

Instructor Contact Information

Instructor	Vance Maultsby
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Office Hours	(by appointment)

Teaching Assistant	Randy Garcia
Phone	
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I expect to contact you periodically via email. Check your email to ensure you are up to date on announcements, handouts for class or other information. If any handouts are required, I will post them by noon on the day of class. Please bring any required handouts to class.

Course Prerequisites

ACCT 5300 or ACCT 4300

Course Description

The course focuses on tax problems relative to the oil and gas industry. Topics include acquisition, operation, and disposition of natural resource properties; preproduction expenditures, depletion, and depreciation; an introduction state and international income tax; tax planning for natural resource investment; and other relevant industry tax topics.

Course Objectives

This course has been designed to provide an in-depth study of key Federal income tax provisions affecting the oil and gas industry, with primary focus on the exploration and production, or "upstream" sector of the industry. The course will cover the conceptual aspects of oil and gas taxation, as well as the practical application of the applicable provisions.

Required Textbook and Resources

Income *Taxation of Natural Resources (2014)*, KPMG LLP, ISBN: 978-0-940966-30-7. Also, students will need access to the Internal Revenue Code of 1986, as amended, the regulations thereunder, opinions of courts with jurisdiction over Federal income tax law, and IRS rulings and procedures (including private letter rulings). Students need to have access to Microsoft Excel and some familiarity therewith, as well as access to the internet.

Statement on Cooperation for Disabled Students

The College of Business Administration complies with the Americans with Disabilities Act in making reasonable accommodations for qualified students with disabilities. If you have special needs addressed by the American with Disabilities Act, notify me and reasonable efforts will be made to accommodate your special needs.

Special Medical Condition

In case of an emergency, a student with known special medical condition should notify me of this medical problem. Information shared with an instructor is protected under the Family Educational Rights and Privacy Act (FERPA) regulation.

Statement on Academic Honesty

I expect students to behave ethically and with academic honesty. Plagiarism and cheating will not be tolerated. The term plagiarism includes, but is not limited to, the use, by paraphrase or direct quotation, of another person's work without acknowledgement. Cheating includes, but is not limited to, use of unauthorized assistance in taking exams or research assignments.

I may compare written assignments with TurnItIn.com to check for plagiarism. A student who has knowledge of a fellow student cheating should report that incident; failure to do so is the equivalent of cheating.

All students found guilty of cheating or plagiarism may (at a minimum) receive an F in the course and could be expelled from the university.

Grading System

Your final grade in this course will be determined as follows:

Examination I	25%
Examination II	25%
Examination III (Final Exam)	25%
Quizzes and homework	20%
Class Participation	<u>5%</u>
Total	100%

The letter grade will reflect your performance relative to the class and standards expected of graduate students and ***no extra credit or other special assignments will be given to any individual student.*** The grade cutoffs for this course are generally expected to be A: 90%, B: 80%, C: 70%, D: 60% and F: less than 60%.

Class Participation and Preparation

The participation portion of your score is primarily awarded based on successful presentation of homework assignments to the class or successful presentation of answers to complex class problems. Each class problem eligible for credit will be identified as such. There will be enough opportunities for everyone to earn a full class participation and preparation amount.

Quizzes

You should read the chapters and complete assigned homework (see attached course schedule) in advance of scheduled class. Students should be ready to take a short quiz over chapter material in class. We plan to administer most, if not all, quizzes via Blackboard. Our plan is to release the quizzes approximately 24 hours before class time. The quizzes will be timed and must be completed within a stated time period that may vary with each quiz. We expect that most quizzes will have 15 to 20 minute time limits. **There will be a significant number of quizzes during the semester.**

Homework

Each week I will provide you with reading assignments, discussion questions, exercises and/or problems to be completed by the next class. Successful completion of homework should have a direct correlation with successful completion of the quizzes and performance on examinations. Unless otherwise indicated and/or directed, I suggest that you read the distributed slide decks/outlines first and use text references, other handouts and other sources to complete your knowledge of the slide decks/outlines.

Examinations

Examinations will be given in class on the dates indicated in the *Tentative Class Schedule* and results will be reviewed in the following class. There will be no makeup exams. If you miss one of the first two exams with an excused absence, (documented medical excuse, etc.) the final examination will be double-weighted in calculating your final grade. You should notify me before a test, if you have a valid reason for not being able to attend, i.e., illness, accident, etc. A missed test will count as a zero (0) unless there is a documented, university accepted, excuse for missing the examination. All examinations will be comprehensive and ***anything discussed in class, whether covered in the text or not, may appear on tests.*** All tests will be retained for one year and then destroyed.

Note: Calculators will be provided, if necessary. I do not expect that calculators will be needed for any tests. No other electronic devices will be allowed during the tests. Any student having an electronic device during a test with capabilities such as photo imaging, text messaging, or internet access will be using unauthorized materials (see the Scholastic Honesty section).

Contacting Instructor

The best way to contact me is use my email address vance.maultsby@unt.edu; I check my email daily. Please place your name on your email. I will not respond to emails from addresses that are not recognizable or emails without names included therein.

W/WF Grading Policy

The accounting department strictly enforces university policy with respect to W/WF grades. Thus, if you drop this course after October 8th, you must have a passing average to receive a W grade.

SETE

The Student Evaluation of Teaching Effectiveness (SETE) is a requirement for all organized classes at UNT. This short survey will be made available to you online at the end of the semester. This will, provide you a chance to provide input about this class. I am very interested in the feedback I get from the students and encourage you to complete the survey. I consider the SETE to be an important part of your participation in this class.

Acceptable Student Behavior

Student behavior that interferes with an instructor's ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional setting.

Tentative Class Schedule

See accompanying class schedule.

Accounting 5340
Fall 2014
Schedule - Tentative

Sess	Date	Topic	Text
1	8.26.14	Overview of Course/Text	NA
1	8.26.14	Overview of Industry and Terms	1.10-1.29, Glossary
1	8.26.14	Video	NA
1	8.26.14	Overview of Oil & Gas Taxation	1.30-1.33, Appendix
2	9.02.14	More about the Oil & Gas Industry, including Joint Operations	NA
2	9.02.14	Percentage Depletion and Its Impact on Oil & Gas Taxation	NA
2	9.02.14	Economic Interests and Types of Mineral Interests	Chap 2
2	9.02.14	Pool of Capital Doctrine	8.13 (do not read examples and following), 8.14, 8.15
2	9.02.14	Introduction to Conveyances	Chap 4
3	9.09.14	Introduction to Costs	Chart
3	9.09.14	G&G	Chap 11
3	9.09.14	Leasing and Subleasing	Chap 5
3	9.09.14	Delay Rentals; Minimum Royalties; Advance Royalties;	15.16, 15.120, 5.23, 15.18, 21.36-21.39
3	9.09.14	Intangible Drilling and Completion Costs, including At Risk and Passive Activity Limitations	Chap 12, except 12.20 et seq; 10.220, 10.221
4	9.16.14	Other Costs – Capitalize and Depreciate or Amortize versus Current Deduction	
4	9.16.14	Section 263(a)	
4	9.16.14	Section 263A	15.117-15.222
4	9.16.14	Tangible Property and Depreciation	15.20 – 15.213
4	9.16.14	Tangible Property Repair Regs – an Overview	
4	9.16.14	Section 614 Property	3.10-3.45, 3.60
5	9.23.14	EXAM I	
6	9.30.14	Depletion – In General; Allow-Disallow Depletion	13.10-13.11
6	9.30.14	Cost Depletion	13.20-13.27
	9.30.14	Percentage Depletion Overview, Repeal and Exemption	13.30-13.13.311
6	9.30.14	Gross Income	14.10-14.15
6	9.30.14	Taxable Income	14.16-14.111
6	9.30.14	Section 613A – IPRO Exemption	13.312 – 13.329
6	9.30.14	Federal Income Tax Reporting and Informational Returns	13.40 – 13.41

Accounting 5340
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Schedule - Tentative

7	10.07.14	Review Depletion	
7	10.07.14	Losses and Abandonments	15.111 – 15.114
7	10.07.14	Conveyances	
7	10.07.14	Lease and Sublease	Chapter 5 , review
7	10.07.14	Sale or Exchange, including Section 1254	Chapter 6, 12.20 et seq
7	10.07.14	Lease v. Sale	Chapter 5, Table 1; Chapter 6, Table 2
7	10.07.14	Nontaxable Exchanges (1031 and 1033)	Chapter 6
7	10.07.14	Production Payments	Chapter 7
8	10.14.14	Sharing Arrangements	Chapter 8
8	10.14.14	Carried Interests	9.39-9.312, 12.116-12.117
8	10.14.14	Divisible Sharing Arrangements	Chapter 8.115 – 8.119
8	10.14.14	Revenue Ruling 77-176	8.13
8	10.21.14	Coownership, Joint Operations, Election Out	9.10-9.38
9	10.21.14	Partnerships – General and Depletion	10.10-10.40
9	10.21.14	Partnerships – Tax Partnerships	
9	10.21.14	Partnerships – PTPs	10.50 et seq
10	10.28.14	EXAM II	
11	11.04.14	Unitizations and Pooling	Chapter 17
11	11.04.14	Other – Section 199	15.231
11	11.04.14	Other – AMT	16.10-16.117
11	11.04.14	Other – Net Investment Income Tax	16.80
12	11.11.14	Selected Corporate Issues	Various
12	11.11.14	Other – International	Chapter 23
12	11.11.14	Other – LNG	Chapter 18
12	11.11.14	State and Local	NA
12	11.11.14	Case Study – Landowner	
13	11.18.14	No Class	
14	11.25.14	Case Studies	
15	12.1.14	Case Studies	
16	12.9.14	EXAM III	