I. Module 1 - Taxation of Power and Utilities

Class 1: So we begin (Jan. 25th)

Introduction and Course Overview

Contributions:
- Section 118(a): contributions to capital
- Section 118(b): contributions in aid of construction

Case: *Chicago, Burlington & Quincy* (93 S.Ct. 2169)

IRS TAM 200411008 - review for comparison to CB&Q case. Also see CBO document pages 3-7 for overview of stranded costs.

AT&T Case - 629 F.3d 505 (5th Cir. 2011)

IRS Notice 2001-82 for application of 118(b) to utilities.

Rev. Proc. 2010-20

Class 2: Utility Ratemaking and Special Items (Feb 1st)

Utility ratemaking process and role of taxes. No advance reading . . . I will bring handouts to class.

Section 199 and Public Utilities
- Overview of section 199 – production activities deduction
- read Section 199
Nuclear decommissioning
- Qualified decommissioning trusts - read Section 468A
- Joint tax explanation of Energy Tax Provisions, p.101

Nuclear Production Tax Credits
- Read Section 45J
- Joint tax explanation of Energy Tax Provisions, p.95

**Class 3: Utility Payments and Repayments (Feb. 8th)**

Income recognition: Section 451(f)

Tax treatment of customer deposits – Case: *Indianapolis Power*

Purchase gas cost/deferred fuel adjustment:
- Case: *Houston Industries Houston Industries Incorporated v. United States*
- Rev. Rul 2003-39

Claim of right doctrine:
- IRC Section 1341
  - *Dominion Resources* case
  - *Florida Progress* case

**Class 4: State taxes, Repairs (Feb. 15th)**

*PacifiCorp* and the related article

Repairs and maintenance – *Dominion Resources* case

II. Module 2 - Taxation of the Oil and Gas Industry

**Class 5: Oil and Gas Overview and Lease Activities (Feb. 22nd)**
Overview of oil and gas operations
The oil and gas lease (Producers 88)
Role of lessor and lessee / operator and non-operator
Tax treatment of initial payments (review: payment matrix)
  
  Bonus payments
  Delay rentals
  Minimum royalties
The Economic Interest concept (IRC Section 611)

**Class 6: Tax Treatment of Lease Operations: Drilling & Production Operations (Feb. 29th)**

  Exploration efforts (Section 167(h))
  Intangible Drilling Costs (IRC Sections 263(c), 59(e) and 291 and case law)
    IDC and offshore operations
  Domestic Production Activities Deduction (section 199)
  Secondary and Tertiary Recovery (section 193)
  Other operating expenses

**Class 7: Recovery of Lease Investment (Mar. 14th)**

  Economic interest concept (section 611)
  Mineral property concept (section 614)
  Cost Depletion
  Percentage Depletion (section 613)
  Limitations on Depletion (section 613A)

**Class 8: Conveyances – Subleasing & Sharing Arrangements (Mar. 21st)**
Sharing Arrangements

Concept behind of Pool of Capital Doctrine

Risk sharing transactions – additional types of property interests

Net profits interest

Overriding royalty

Carried interests

Production Payments (IRC Section 636)

Class 9: Other Conveyances & Dispositions and Transfers of Interests (Mar. 28th)

Partnership and elections out of Subchapter K (section 761)

Treatment on the sale of mineral interests (section 1254)

Like-kind exchanges in oil and gas (section 1031)

Taxation of downstream operations

II. Module 3 - Taxation of Renewable Energy Investments

Class 10: Renewable and alternative energy, the PTC (April 4th)

IRC Section 45

Please read the Joint Tax Explanation of Section 45 (p. 2-6):
https://www.jct.gov/publications.html?func=startdown&id=4537

Beginning Construction - Read IRS Notice 2013-29, Notice 2013-60 and Notice 2014-46

IRS Rev. Proc. 2007-65 re: wind partnership monetization structures
Class 11: Solar (and others) and the ITC (Apr. 11th)

Section 48 and Reg. 1.48-1(a) – (e)

Joint tax explanation of Energy Tax Provisions, Sec. 48 p. 6-8),
https://www.jct.gov/publications.html?func=startdown&id=4537

Rev. Proc. 2001-28 (sale-leaseback monetization structures)

Class 12: Issues in the design of energy tax incentives (Apr. 18th)

Tax Credits for Alternative Energy Manufacturers – Section 48C

Reg. 1.48-1(a) – (e)

Clean Coal and carbon capture tax provisions

Sections 48A, 48B and 45Q

Joint Committee on Taxations "Summary of Legislation Enacted in the 110th Congress"; pages 298-301 and pages 308-309.


Class 13: TBD (Apr. 25th)

Policy Review: tax reform proposals & exam review