

## Business Tax

One certainty about taxes is that the codes and statutes governing businesses are complex and ever-changing. Andrews Kurth tax lawyers guide companies and individuals through the tangle of federal and state tax laws. In keeping with our "straight talk" approach, we decode tax talk and communicate with clients to understand the big picture tax implications and meet their business goals.

Whether counseling on a business or personal income tax issue or resolving regulatory and audit issues, our viewpoint is positive. Our advisors seek proactive approaches and identify the efficient methods for clients to pursue their transactions.

We provide tax advice and counsel for a wide range of public and private clients. Areas of extensive experience include:

- Transactional Tax
- Energy and Oil and Gas Tax
- Financial Instruments Tax
- International Tax
- Partnership Tax
- Financially Distressed Businesses Tax
- Oil and Gas Tax
- Real Estate Investment Trusts (REITs) Tax
- Private Equity Fund Tax
- Master Limited Partnership Tax

### Transactional Tax

In every acquisition, restructuring and financing transaction we undertake for our clients, our tax lawyers are there at the outset, anticipating the tax consequences and working closely with our clients and the transactional lawyers to structure the transaction to best meet our clients' business needs in a tax-efficient manner.

We have particular experience advising clients in these industries:

- Energy, including upstream oil and gas, pipelines, liquefied natural gas, power and petrochemical projects
- Financially troubled businesses
- Oilfield services
- Real estate investment trusts and real estate mortgage investment conduits

Our tax lawyers are adept at dealing with cutting-edge tax issues, where experience is critical to creating a tax-efficient structure. Our tax work encompasses the full range of tax issues applicable to a transaction, from federal and state income and franchise taxes to state sales and property taxes.

### Energy and Oil and Gas Tax

Andrews Kurth tax lawyers have vast and deep experience in transactions in the oil and gas and energy industries. We regularly advise clients on the tax issues in the industries, including oil and gas companies (upstream, downstream, and exploration and production), energy trading companies, energy services companies and drilling companies.

Our tax lawyers have provided tax advice on numerous equity and debt offerings of companies in the oil and gas and energy industries including tax issues related to mergers and acquisitions and international transactions.

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### Financial Instruments Tax

Andrews Kurth tax lawyers advise clients on the tax consequences of financial and derivative instruments. We have extensive experience in the interest deduction limitation and disallowance and commodities tax provisions. We regularly act as counsel for issuers and underwriters on complex convertible and exchangeable financial instruments.

### International Tax

Tax considerations are especially important in cross-border transactions, where careful tax planning is necessary to maximize the tax efficiency of both U.S. and foreign business operations and to minimize the tax cost of utilizing, reinvesting and repatriating business profits. Our tax lawyers work with our peers in other jurisdictions to structure transactions to maximize tax efficiency in activities ranging from procurement and manufacturing to servicing and sales.

In addition to assisting our domestic clients with their investments, acquisitions and business ventures abroad, we regularly assist foreign clients with investments in the U.S., with their transactions in the U.S. capital markets and in planning for the participation of U.S. investors in their financing arrangements. We have extensive experience advising clients in energy-related industries, including upstream oil and gas, pipeline, liquefied natural gas, petrochemical and oilfield services projects. Our tax lawyers have provided tax advice in numerous cross-border acquisitions, many involving publicly traded companies and including both taxable and tax-free transactions.

### Partnership Tax

Andrews Kurth tax lawyers have a broad and deep knowledge of all aspects of subchapter K partnership taxation of the U.S. Tax Code. We are regularly consulted by clients and other professionals from across the country on complex partnership tax issues involving partnership formation, disguised sales, allocations of tax items, guaranteed payments, capital accounts, allocation of liabilities and partnership equity received for services. We advise clients on the choice of using a partnership or other flow-through entity to conduct business.

Andrews Kurth is one of the leading law firms advising on master limited partnerships from both the company and underwriter perspectives and subsequent MLP acquisitions.

### Financially Distressed Businesses Tax

Andrews Kurth has a long history of representing debtors and creditors in restructuring transactions, both in and out of court. Our tax lawyers play an integral role in these transactions, helping to minimize the potentially adverse tax consequences of restructuring debt, selling assets and realigning business operations. An important element of our representation of troubled businesses is the evaluation and preservation of their net operating losses and other tax benefits. Our tax lawyers have been actively involved in some of the largest bankruptcy reorganizations in the energy, financial services and retail sectors, as well as in many other industries.

### Oil and Gas Tax

Since its beginning in 1902, Andrews Kurth has represented energy clients, and its tax lawyers have a long and deep experience advising on tax issues and investments related to the oil and gas industry: depletion, intangible drilling costs, joint operating agreements, tax partnerships, private partnerships, public partnerships, production payments, tax-exempt investors and foreign investors.

### Real Estate Investment Trusts (REITs) Tax

Andrews Kurth tax lawyers are experienced with the tax issues incident to the formation and operation of REITs, including:

- Issues related to the formation of REITs, Umbrella partnership REITs (UPREITs and down REITs)

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- Issues related to the taxation of the REIT and its activities, such as compliance with the REIT income and assets tests, REIT distribution requirements and REIT-prohibited transaction/dealer property issues
- Issues relating to the taxation of various types of REIT investors, including issues with respect to tax-exempt investors under the pension-held REIT rules and issues with respect to foreign investors under the FIRPTA rules, domestically controlled REIT rules and Section 892 rules, and under applicable tax treaty provisions
- Tax due diligence issues related to property acquisitions by REITs such as lease and activity review in order to ensure compliance with the REIT income and asset tests
- Tax issues unique to REITs that invest in hotels or mortgage loans

### Private Equity Funds Tax

Andrews Kurth tax lawyers are experienced with the tax issues related to private equity funds. These issues include:

- Issues related to the formation of the private equity fund and the carried interest and fee arrangements for the general partner of the fund and fund manager
- Issues relating to the taxation of particular types of investors in private equity funds, including tax-exempt investors under the unrelated business taxable income (UBTI) rules, foreign investors under the effectively connected income (ECI) rules, tax withholding rules, FIRPTA rules and applicable tax treaty provisions
- Issues related to recapitalizations and buyouts of interests in private equity funds
- Issues unique to private equity funds that invest in oil and gas interests

### Master Limited Partnerships Tax

Andrews Kurth tax lawyers have been involved with the complex tax issues associated with master limited partnerships (MLPs) since the first MLP in the early 1980s. We are regularly and frequently consulted by issuers, potential issuers and investment bankers from all over the country on complex MLP tax issues. We regularly represent both issuers and underwriters in MLP initial public offerings, MLPs in their growth-related acquisitions, MLPs in their equity and debt financings, private investors in MLPs, and sellers and purchasers in merger and acquisition transactions. We also frequently request and obtain rulings from the Internal Revenue Service on MLP tax issues.

Tax laws change constantly, and interpreting them takes skill and insight. Andrews Kurth tax lawyers never forget that one of the real challenges of tax law is working with clients to find the right answers.