



Unlocking hidden value in tax

Tax services for the oil & gas industry

Few industries impact as many aspects of life as the energy industry. Yet despite energy's absolute necessity, the energy industry faces many challenges. In our work with leading oil and gas companies, our clients consistently cite a number of major trends that impact their businesses today from a tax perspective. Among the most notable are:

- Supply constraints and uncertainty amid fluctuating demand
- Increasingly global operations
- Regulatory and legislative uncertainty

These trends have tax implications that cannot be ignored. Oil and gas is a diversified industry with distinct segments covering many activities, so the impact of broader industry trends varies. Although addressing them can be a tough balancing act, doing so can unlock hidden value. Deloitte can help.

As used in this document, "Deloitte" means Deloitte Tax LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.

Understand. Manage. Integrate.

Deloitte is a leading tax advisor in the United States and internationally. Our tax professionals include field-experienced industry practitioners devoted to specific oil and gas segments and a deep bench of technical specialists across tax disciplines and jurisdictions. We can address your need for specialized tax knowledge and supplement your tax organization while understanding the details that are important to oil and gas companies.

Operating in a heavily taxed industry, oil and gas executives must weigh the tax consequences of virtually every decision. Yet, some companies overlook potential points of tax risk and reward simply because the challenges of meeting compliance deadlines consume their resources. We can help you explore ways to reduce your tax exposure by helping you understand and manage these critical tax issues.

Supply constraints and uncertainty amid fluctuating demand

Decreasing supply, fluctuating demand, intense competition — oil and gas companies grapple with these challenges every day. Earnings pressure, market volatility, geopolitics, and unprecedented technological innovation also shape the global economic landscape.

For many companies, one potential solution has been to adjust the corporate footprint through mergers, acquisitions, and dispositions. Even if your company is not currently acquisitive, you may still be dealing with the impact of a recent transaction.

Our experienced tax professionals can help you with the tax implications across the M&A life cycle. This may include conducting tax due diligence or working toward day-one readiness so tax operations in both companies stay up and running.

Oil and gas companies pursuing new product innovations also may benefit from our help exploring opportunities for energy credits and incentives.



Deloitte's integrated approach brings added value to our clients

Our strengths include:

- A solid and sustained track record in tax advisory services to the oil and gas industry
- National and local teams of oil and gas industry veterans dedicated solely to our clients in the industry
- The deep resources of one of the largest tax practices in the United States, with extensive presence in Washington, DC, and Houston, Texas
- Tax services that range from general compliance support to tax technical niche services
- Access to the specialized and extensive resources of Deloitte, its U.S. affiliates, and the member firms of Deloitte Touche Tohmatsu and their affiliates

Learn why so many oil and gas companies trust Deloitte to help them address tax in the global race to be competitive

Increasingly global operations

In a truly global industry, oil and gas companies expand into countries in which they may have little internal tax expertise. Those tax authorities often treat oil and gas issues differently than the United States, particularly in terms of tax policy, regulation, and enforcement. This may entail literally hundreds, if not thousands, of additional tax issues.

Our international tax professionals offer a full range of services to help you integrate tax planning into your business strategy and address complex compliance issues. We have access to the resources you may need, unhindered by geographic barriers. You benefit from the hands on knowledge, leadership, and responsiveness of your local advisor, supported by our access to the Deloitte Touche Tohmatsu network of technical specialists in more than 140 countries.

Regulatory and legislative uncertainty

Even with the industry's call for more far-reaching energy legislation, the direction of such legislation remains ambiguous. Calls for a windfall profits tax, regulations on drilling in politically sensitive areas, and temporary suspensions on certain EPA requirements to alleviate the supply and demand imbalance have potentially serious implications. These industry-specific pressures are compounded when added to broader financial reporting and tax regulations.

Our industry tax professionals can help you navigate this complex maze, including understanding the tax impact of new environmental requirements, tracking and following legislative developments, assessing the impact of new tax legislation and regulations, assisting with tax controversies, or supporting you on your new financial reporting requirements under FIN 48.

The specialists in our Washington National Tax office maintain continuous dialog with IRS and SEC officials to understand how U.S. tax policy, legislation, and resulting regulations impact our clients. As tax legislation changes and the enforcement policies of tax authorities evolve, we can help keep you apprised so you can evaluate both the compliance and planning implications as events unfold.

The Deloitte difference

As an organization whose practitioners have specialized experience in both tax and the oil and gas industry, Deloitte takes an integrated approach to the delivery of professional services.

For example, we often bring in our colleagues from other U.S. subsidiaries of Deloitte to provide technology and operational process insights and assistance, as well as assistance with valuation and other financial accounting issues. We also leverage the broader resources of member firms of Deloitte Touche Tohmatsu and their affiliates around the world as needed to address our clients' growing international needs.