



Make the Most of Energy Tax Exemptions

Many energy-focused states grant upstream and midstream companies multiple breaks on state sales taxes — exemptions that can be worth significant savings. But taking advantage of these tax exemptions requires both time and specialized knowledge. Someone must review invoices, address overpayments and navigate the refund recovery process.

If you are one or two years into a drilling program or midstream asset buildout, this is an ideal time for a refund review. Ask yourself, *“Is my company reaping the rewards of all the tax exemptions it’s entitled to?”*

Are you leaving money on the table? Weaver can help get it back.

Energy companies face different challenges than retailers or manufacturers. Exploration, production, processing and transport are capital-intensive operations with the potential for heavy losses. Many states recognize these risks and try to offer rewards in the form of sales tax relief.

When Weaver provides energy companies with sales tax reviews, our goal is to identify, quantify and recover sales and use taxes paid in error in the most efficient manner possible. We don’t just focus on the “low-hanging fruit.”

Our process involves reviewing your purchase history and vendor invoices, then delivering an assessment report that details our findings, presenting options for recovering overpayments and offering recommendations for correcting any potential deficiencies, past and future. This report will give you a clear picture of your sales and use tax situation, current level of compliance, and — if needed — a roadmap for getting into compliance.

If you decide to pursue refunds identified by Weaver’s tax professionals, they will perform a detailed review of every transaction, gather the supporting evidence required, prepare and submit refund claims, and work with the tax jurisdictions or vendors to ensure those claims are processed promptly.

Commonly Missed Refund Opportunity Types by State

Texas. Electricity, chemicals, new construction, downhole well services, manufacturing equipment (e.g., heater treaters, separators, dehydrators, free water knockouts)

New Mexico. Chemicals purchased in lots greater than 18 tons, interstate rig mobilization / demobilization services, incorrect local tax rates

North Dakota. Materials to construct or expand a system used to compress, process, gather or collect natural gas; exemption for generators producing electrical power to run a drilling rig



Why Choose Weaver?

- ▶ **We have in-depth experience doing this work in the energy industry.** Reviews are conducted by our experienced professionals, who have recovered more than \$150 million in sales tax overpayments for energy companies.
- ▶ **Minimal personnel time investment.** You will not have to copy invoices, pull vendor files or interact with vendors or the tax authorities. We usually need only a few hours of a new client's time to complete the entire project.
- ▶ **For overpayment recovery, our fees are a contingent percentage of total savings.** No payment is due to Weaver until your company receives a refund.
- ▶ **We focus on the right purchases to maximize the benefit.** Weaver's team leverages our extensive knowledge of the energy industry and the numerous available exemptions to ensure your company receives the maximum benefit.
- ▶ **Tax overpayments are corrected on recurring purchases.** Thus, your company receives continued savings in the future — at no additional cost.

More About Weaver's Energy Practice

Weaver is proud to be the firm of choice for more than 3,100 oil and gas companies around the world. Our dedicated practice group is a market leader comprised of professionals with decades of experience serving publicly traded and privately held companies of all sizes, with a concentration in private equity-sponsored E&P and midstream companies.

Contact Us

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