

# DATE, TIME, & LOCATION

**DATE:** Wednesday, June 4, 2008

**TIME:** 8:00 a.m. – 2:00 p.m.

**LOCATION:** The Buttes Resort - Marriott  
2000 Westcourt Way  
Tempe, AZ 85282  
602.225.9000

**COST:** \$100.00 for registered participants  
*on or before April 30, 2008*  
\$120.00 for registered participants  
*after May 1, 2008*

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-or-

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STEPTOE & JOHNSON LLP



## FIFTH ANNUAL Construction Industry Tax Issues Seminar

The Buttes Resort - Marriott  
Wednesday, June 4, 2008  
8:00 a.m. – 2:00 p.m.

*CLE/CPE Credit Available*

## AGENDA

8:00 a.m. – 8:30 a.m.

Registration and Continental Breakfast

8:30 a.m. – 10:30 a.m.

- General Overview of Arizona's Construction Sales Tax Structure (*Pat Derdenger*)
- City Sales Taxation of Contracting: Major Differences from the State Structure (*Dawn Gabel*)
- Overview of Southwestern States' Construction Sales Tax Structure: CA, NV, UT, CO, & NM (*Randal Evans*)
- *Ormond Builders* Decision and Pending Legislation on the Tax Status of Construction Managers (*Ben Cooper*)
- Highway Construction Barricades—Taxable as Rentals or Exempt as Subcontracting (*Randal Evans*)
- The City Speculative Builder Tax—A Hidden “Land Transfer Tax” (*Pat Derdenger*)
- Is the Value of Leases Assigned in Connection with the Sale of a Shopping Center, Office Complex or other Rental Property Subject to the Speculative Builder Tax? (*Frank Crociata*)
- Are Buyers Subject to the Speculative Builder Tax if Not Paid by the Seller?—Successor Liability (*Dawn Gabel*)

10:30 a.m. – 10:45 a.m.

Mid-Session Break

10:45 a.m. – 12:45 p.m.

- Update on the Deduction for Water Pipes 4" in Diameter and Larger (*Pat Derdenger*)
- Property Tax Issues for Homebuilders & Developers (*Dawn Gabel*)
- Contracting for the Federal Government & on Indian Land (*Frank Crociata*)
- Update on the Marketing Arm—Contracting Arm Structure for Homebuilders (*Pat Derdenger*)
- Homebuilders' Land Deduction (*Randal Evans*)
- Preconstruction Services—Are they Taxable? (*Frank Crociata*)
- *Action Marine* Case—Are Officers & Shareholders Personally Liable for the Business' Sales Tax? (*Benjamin Gardner*)
- Green Tax Benefits for Homebuilders and Developers (*Frank Crociata*)

12:45 p.m. – 2:00 p.m.

Luncheon/Question & Answer Session

## PRESENTERS

**PAT DERDENGER** is a partner in the Phoenix office of Steptoe & Johnson LLP. He has extensive knowledge and more than 30 years of experience in federal and state taxation. In his multi-state tax practice, he advises and represents business clients on corporate income, sales and use, and property tax matters. His federal tax practice focuses on income tax, tax controversy employment and excise tax matters. Mr. Derdenger has been listed in *Best Lawyers in America*<sup>®</sup> since 1995 (published by Woodward/White, Aiken, SC) and is listed in *Southwest Super Lawyers 2007* for State, Local, and Federal Taxation.

**DAWN GABEL** is a partner in the Phoenix office of Steptoe & Johnson LLP. She has a broad background in state and local tax law, with considerable experience related to property tax matters, including advice and litigation on valuation, exemption and classification issues. She also represents clients in sales and use tax matters, encompassing audit and refund disputes, multi-state compliance, multi-state voluntary disclosure programs, and luxury and excise tax issues. She represents clients before the Department of Revenue, the various County Assessors, the State Board of Equalization, The State Board of Tax Appeals, the Office of Administrative Hearings, and the Arizona Tax Court and Court of Appeals.

**BENNETT EVAN COOPER** is a partner in the Phoenix office of Steptoe & Johnson LLP. Mr. Cooper handles a wide variety of appeals in state and local tax disputes, including property, transaction privilege, sales and use, and corporate and partnership income tax. He has represented clients in such diverse industries as electric utility distribution, newspaper publishing, commercial lending, construction, storage, hospitality, and low-income housing development.

**RANDAL EVANS** is of counsel in the Phoenix office of Steptoe & Johnson LLP. His practice focuses primarily on state and local tax, exempt organizations, federal tax, general corporate advice, and American Indian law.

**FRANK CROCIATA** is an associate in the Phoenix office of Steptoe & Johnson LLP. His practice focuses on state and local taxation. Mr. Crociata has experience in advising retail vendors on nexus-establishing activities, assisting in corporate income tax apportionment litigation, and assisting in representing clients in both sales and use and property tax matters.

**BENJAMIN GARDNER** is an associate in the Phoenix office of Steptoe & Johnson LLP. His practice focuses on state and local taxation, including corporate income tax and sales and use tax matters.

## WHAT YOU WILL LEARN

Contractors, Homebuilders, and Developers are welcome to attend Steptoe's Fifth Annual Construction Industry Tax Issues Seminar to get up-to-date information on the latest developments in Arizona's sales taxation of contracting as well as Arizona's property tax treatment of developers and homebuilders.

While most states make it easy and impose the sales tax on the sale of building materials to contractors, Arizona makes it difficult and exempts the sale of building materials but taxes the prime contractor's gross receipts for the construction activity, while exempting subcontractors. And to complicate matters further, the cities' contracting regime is not uniform with the state's.

This presentation will start with an informative overview of Arizona's contracting sales tax structure and will then focus on many cutting edge issues, such as the tax treatment of highway construction barricades (taxable as a rental or exempt sub-contracting), the taxability or not of “pre-construction” services, officers' and shareholders' personal liability for sales taxes owed by the contracting business, an update on the tax treatment of construction managers, the city speculative builder tax (Arizona's hidden real property transfer tax) — including the exclusion of the value of leases assigned with the sale of the project and successor liability for buyers, an update on the marketing arm—contracting arm dual structure, and many more.

Then join us for a dynamic and informative question and answer period during the lunch hour. Our speakers will be available to respond to your specific construction industry tax questions in an open forum discussion. Attendees will leave this seminar with a better understanding of the sales tax issues facing the construction industry.

### Steptoe's State & Local Tax Practice

Our attorneys in the Phoenix, Los Angeles, and DC offices represent an array of business clients in state and local tax matters. Our state and local tax group advises clients of many types and sizes, including high-technology businesses, electric utilities, telecommunications companies, mining and railroad companies, manufacturers, retailers, banks, printers, mail order businesses, tax-exempt organizations, and resorts. Our attorneys represent these clients on complex and varied income, sales and use, and property tax matters, including litigation both at the administrative and judicial levels, both in state and federal courts. They also counsel the firm's clients on the multi-state tax implications of their business transactions. In addition, Steptoe advises its e-commerce industry clients on their complex multi-state income tax responsibilities and their sales and use tax collection obligations.