

Ober|Kaler Tax Alert

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Bailout Legislation Offers Significant Tax Refund for Coal Exporters

Refund Filing Deadline is November 30, 2008

The newly-enacted “Emergency Economic Stabilization Act of 2008”, commonly referred to as the government “bailout,” creates a new procedure under which certain coal producers and exporters may claim a refund of excise taxes imposed on coal exported from the United States. Under this procedure, coal producers or exporters that exported coal during the period beginning on or after January 1, 1990, and ending on or before October 3, 2008, may obtain a refund (plus interest) from the Treasury of excise taxes paid on the exported coal.

A “coal producer” is defined as the person in whom the ownership of the coal is vested immediately after it is severed from the ground. “Exporter” is defined as a person other than a producer who does not have a contract, fee arrangement or any other agreement with a producer or seller to sell or export to coal to a third party and who either (1) is documented as the exporter of record or (2) actually exported or shipped the coal or caused such export or shipment.

This provision is estimated to generate over \$199 million in refunds. For more information on this possibly valuable and limited refund opportunity, please contact Stuart M. Schabes, Chair of Ober|Kaler’s Business & Tax Group, at 410-347-7696 or smschabes@ober.com.

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