

“BNA Corporate Tax Analyzer is the primary software tool in our tax department. It serves as the basis for everything we do involving income tax.”

—Richard Lujan, Director of Tax, Western Refining, Inc.

# BNA Streamlines IRS Audits and Gives Western Refining, Inc. Peace of Mind

*BNA Corporate Tax™ Analyzer helps Western Refining calculate, plan, prepare, and document corporate income taxes*



## Challenge:

Manage the complex income tax calculations, analysis, documentation, and reporting requirements of a major corporation in the cyclical petroleum products industry.

## Solution:

BNA Corporate Tax Analyzer from BNA Software

## Results:

BNA enables Western Refining to shorten IRS exams, reduce effort for complex calculations, increase accuracy, ensure compliance, and improve decision-making.

Western Refining, Inc. is a leading refiner and marketer of petroleum products, with several refineries, miles of pipeline, a fleet of delivery trucks, and service station/convenience stores located throughout the Southwestern United States. The cyclical nature and ups and downs of its business means that Western Refining has complex federal income tax calculations and reporting requirements.

## A Giant Need for Audit and Planning Software

As a major public company, Western Refining has tax obligations of millions of dollars annually and files hundreds of returns, including income, property, sales & use, and excise taxes.

When Richard Lujan, Director of Tax, came to Western Refining, the company was not using corporate tax planning software. As a user of BNA's individual income tax planning software in his previous job, he knew it would be very beneficial to have the same type of software for corporate income tax planning—especially if it was as reliable and as easy to use. The alternative was to create and maintain spreadsheets as tax laws change or attempt to perform calculations manually.

## BNA Corporate Tax Analyzer Becomes Essential Tool

Lujan soon purchased BNA Corporate Tax Analyzer—the only product available that met his needs—and is now a long-time, satisfied customer. Although originally purchased for

corporate income tax planning, BNA Corporate Tax Analyzer is now used by Western Refining in many ways, including analyzing the impact of IRS proposed adjustments, checking the accuracy of 1120 returns, and providing documentation for SEC reporting.

With BNA Corporate Tax Analyzer, Western Refining has:

- Shortened IRS examinations and gained more control throughout the entire audit process
- Saved hundreds of hours by automating complex AMT and NOL carryforward and carryback calculations
- Increased confidence when filing 1120 returns
- Improved documentation of income tax accounting for 10Q, 10K, and Sarbanes-Oxley compliance

“I can't imagine not having BNA Corporate Tax Analyzer to handle complex calculations that involve prior and future tax periods, multiple attributes, audit adjustments, and AMT,” stated Lujan.

## Speedier Federal Audit Process

The last time Western Refining was audited by the IRS, BNA Corporate Tax Analyzer helped the company get through the exam faster and with greater confidence. “The IRS would propose adjustments and within minutes I knew the full impact of the adjustment—what

## Western Refining, Inc.

- A leading refiner and marketer of petroleum products
- Operates four oil refineries, a crude oil pipeline gathering system, and a fleet of delivery trucks
- Also operates 156 service station/convenience stores
- 2010 revenue: \$7.97 billion
- BNA Corporate Tax Analyzer is the primary tool for the tax department

it would cost us in cash flow and the impact beyond the years under audit—and I had that in my back pocket. Using the BNA tool, I had leverage in negotiating our tax position because I knew the impact of the proposed adjustments,” said Lujan.

### Complete Confidence in the Accuracy of 1120 Returns

Western Refining also uses BNA Corporate Tax Analyzer to review tax returns for computational errors before they are filed. “We always compare our final results with the BNA system and if it doesn’t match, we don’t file until it does,” said Lujan. BNA provides Lujan with the peace of mind that returns are accurate.

Lujan is confident in the tax interpretation and expertise of BNA Software and its employees. On one occasion, Lujan doubted the correctness of a BNA calculation for a tax credit until BNA Product Support demonstrated that the results were indeed correct. “I was impressed with that. It was a credit specific to our industry, the non-conventional fuel credit, and it had limited applicability, but the BNA tech support

people knew all about it,” commented Lujan. “That gives us a lot of confidence in the product.”

### Multi-Year Analysis Results in Substantial Tax Savings

“In this business, you have good years and bad years, which means we’re always having to deal with Alternative Minimum Tax and having to look back in the event we have a loss for carryback,” explained Lujan. The last time the company took advantage of an 1139 carryback claim, it could go back either two or five years.”

“Intuitively, you’d think five years back would produce greater benefits, but the analysis with BNA Corporate Tax Analyzer showed that the two year election produced better results and made a significant difference for us,” said Lujan.

## About BNA Software

Contact your BNA Sales Representative or call 1.800.424.2938 (option 3).

BNA Software is part of BNA, America’s premier independent publisher of legal and regulatory news and analysis for over 80 years. The company’s clients include all of the Fortune 100 and all of the top 50 accounting firms.

