

THE RECORDER

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Verdicts & Settlements

TAXATION

Chevron USA agreed to pay \$28 million to settle a tax dispute with the city of Richmond.

The city had a utility tax ordinance that obligated Chevron to pay taxes on its use of gas and electricity at its Richmond refinery. Prior to 2006, Chevron had always paid a “capped” amount of utility-user taxes, pursuant to a special provision of

the municipal code. During a two-year period from 2006 to 2008, Chevron went “off the cap” and paid on the basis of actual use. The result was a significant reduction in utility tax payments.

The city hired a law firm to conduct an audit, which determined that Chevron had underpaid its tax liabilities during that period. Chevron denied the allegation, but settled.

Case: *City of Richmond v. Chevron*

USA Inc.

Court: Case not filed

Counsel for the plaintiff: Robert Cross and Steven Katz, Sideman & Bancroft, San Francisco

Counsel for defendant: Peter Hass, Watson, Hoffe & Hass, Richmond; Richard Nielsen, Pillsbury Winthrop Shaw Pittman, San Francisco; Andrew Zalewski, Chevron Corp. Law Department, San Francisco