



TaxNewsFlash

United States



No. 2020-241
April 20, 2020

Section 45K: Nonconventional source production credit, reference price for 2019

The U.S. Treasury Department and IRS today released for publication in the Federal Register a notice that provides the nonconventional source production credit under section 45K for calendar year 2019.

The section 45K credit itself expired in 2013, but the reference price (as noted below) is relevant with regard to a number of tax credits or incentives in the oil and gas sector—credits or incentives that are found in other sections of the Code. Specifically, as noted in today's release, the reference price continues to apply in determining the amount of the enhanced oil recovery credit under section 43; the marginal well production credit under section 45I; and the applicable percentage under section 613A to be used in determining percentage depletion in the case of oil and natural gas produced from marginal properties.

Today's [notice](#) [PDF 71 KB] provides that the reference price under section 45K(d)(2)(C) for 2019 is \$55.55.

This reference price applies for purposes of sections 43, 45I, and 613A for tax year 2020.

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)