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Section 45K: Nonconventional source production credit, reference price for 2020

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 2020.

Today's [notice](#) [PDF 188 KB] provides that the reference price under section 45K(d)(2)(C) for 2020 is \$37.07.

The section 45K credit itself expired in 2013, but the reference price 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 oil 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.

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

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