



TaxNewsFlash

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Oil and gas, percentage depletion on marginal properties for 2021, reference price for 2020

The Internal Revenue Bulletin 2021-19 (dated May 10, 2021) includes the following IRS notices providing information for taxpayers involved in the oil and gas sector.

- Notice 2021-30 provides under section 613A(c)(6)(C) that the applicable percentage for purposes of determining percentage depletion on marginal properties for calendar year 2021 is 15%.
- Notice 2021-29 provides the reference price for use in determining the amount of the enhanced oil recovery credit under section 43; the marginal well production credit for qualified crude oil production 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 for calendar year 2020. [The credit period for the nonconventional source production credit under section 45K ended on December 31, 2013, for facilities producing coke or coke gas (other than from petroleum-based products).] The reference price under section 45K(d)(2)(C) for calendar year 2020 is \$37.07. This reference price was previously announced by the IRS and Treasury Department. Read [TaxNewsFlash](#)

Read the IRS notices in [IRB-2021-19](#) [PDF 852 MB]

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