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Notice 2021-47: Enhanced oil recovery credit for 2021

Notice 2021-47 announces that based on 2020 crude oil prices, the enhanced oil recovery credit is available for 2021 at the full 15% rate.

Notice 2021-47 appears in the [Internal Revenue Bulletin 2021-32](#) [PDF 1.5 MB] (dated August 9, 2021).

The enhanced oil recovery credit under section 43 provides a tax credit for certain enhanced oil recovery (i.e., tertiary recovery) project costs incurred in the United States.

Notice 2021-47

In announcing the inflation adjustment factor and phase-out amount for the enhanced oil recovery credit for tax years beginning in the 2021 calendar year, Notice 2021-47 follows the format of previously published notices on this issue.

Notice 2021-47 concludes that because the reference price for the 2020 calendar year (\$37.07) does not exceed \$28 multiplied by the inflation adjustment factor for the 2020 calendar year (\$28 multiplied by 1.7849 = \$49.9772), the enhanced oil recovery credit for qualified costs paid or incurred in 2021 is determined without regard to the phase-out for crude oil price increases.

Notice 2021-47 includes the previously published figures for tax years beginning in the 1991 through 2020 calendar years and reflects that for calendar year 2021, the guidance is similar to that provided for 2016 and 2017 when the enhanced oil recovery credit was determined without regard to the phase-out for crude oil price increases.

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