



TaxNewsFlash

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Notice 2017-51: Marginal well production credit under section 45I; reference price (2016)

The IRS today released an advance version of Notice 2017-51 with Treasury's estimate of the annual average wellhead price per 1,000 cubic feet for all domestic natural gas—that is, the “reference price” for purposes of the marginal well production credit under section 45I.

[Notice 2017-51](#) [PDF 128 KB] sets forth the reference price for qualified natural gas production from qualified marginal wells during tax years beginning in calendar year 2016 for purposes of determining the marginal well production credit under section 45I as follows:

- The applicable reference price for tax years beginning in calendar year 2016 is \$2.38 per 1,000 cubic feet.
- The credit amount used for purpose of determining the marginal well production credit for tax years beginning in 2016 is \$0.14 per 1,000 cubic feet.

Amended returns

Notice 2017-51 states that a taxpayer that filed a 2016 return on or before October 2, 2017, and either did not claim the credit or claimed the credit in an amount that differs from the amount determined using the applicable reference price provided by Notice 2017-51 may file an amended return using the applicable reference price given in today's notice.

Comments requested

Today's notice includes a request for comments, in particular concerning the methodology for determining the reference price. Comments are due before November 16, 2017.

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