



TaxNewsFlash

United States

No. 2018-156

April 20, 2018

Notice 2018-32: Enhanced oil recovery, marginal well production credits; reference price (2017)

Notice 2018-32 provides the reference price under section 45K(d)(2)(C) for calendar year 2017—that is, the reference price used in determining the amount of the enhanced oil recovery credit, the marginal well production credit for qualified crude oil production, and the percentage depletion for oil and natural gas produced from marginal properties.

The reference price for calendar year 2017 is \$48.05.

Notice 2018-32—that appears in [IRB 2018-17](#) [PDF 128 KB] dated Monday, April 23, 2018—explains that 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). However, the reference price continues to apply 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 451
- The percentage depletion in case of oil and natural gas produced from marginal properties under section 613A

The reference price was previously announced by the Treasury Department and published as a [notice](#) [PDF 186 KB] in the Federal Register on April 12, 2018.

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](#)