



TaxNewsFlash

United States



No. 2023-285
August 18, 2023

IRS notices: Oil and gas—reference prices for 2023, inflation adjustment factor and phase-out for enhanced oil recovery credit

The Internal Revenue Bulletin (IRB) 2023-34 (dated August 21, 2023) includes two IRS notices providing information for taxpayers in the oil and gas sector.

The IRB synopses summarize the two notices as follows:

- Notice 2023-57 announces the inflation adjustment factor and phase-out amount for the enhanced oil recovery credit for tax years beginning in the 2023 calendar year. Because the reference price for the 2023 calendar year (\$93.97) exceeds \$28 multiplied by the inflation adjustment factor for the 2023 calendar year (\$28 multiplied by 1.9998 = \$55.99) by \$37.98, the enhanced oil recovery credit for qualified costs paid or incurred in 2023 is phased out completely.
- Notice 2023-58 provides the applicable reference price for qualified natural gas production from qualified marginal wells during tax years beginning in calendar year 2023 for the purpose of determining the marginal well production credit under section 45I. The applicable reference price for tax years beginning in calendar year 2023 is \$5.57 per 1,000 cubic feet. The notice also provides the credit amount used for the purpose of determining the marginal well production credit. The credit amount for tax years beginning in calendar year 2023 is \$0.00 per 1,000 cubic feet.

Read the IRS notices in [IRB-2023-34](#) [PDF 1.1 MB]

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