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114TH CONGRESS
2D SESSION

H. R. 4672

To amend the Internal Revenue Code of 1986 to make permanent the exception for marginal production from the taxable income limit on percentage depletion for oil and natural gas wells.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2016

Ms. JENKINS of Kansas introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to make permanent the exception for marginal production from the taxable income limit on percentage depletion for oil and natural gas wells.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCEPTION FOR MARGINAL PRODUCTION FROM TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS WELLS MADE PERMANENT.

(a) IN GENERAL.—Section 613A(c)(6)(H) of the Internal Revenue Code of 1986 is amended to read as follows:

"(H) TAXABLE INCOME LIMIT NOT APPLICABLE TO MARGINAL PRODUCTION.—The second sentence of subsection (a) of section 613 shall not apply to so much of the allowance for depletion as is determined under subparagraph (A).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

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