

112TH CONGRESS  
1ST SESSION

# H. R. 1961

To amend the Internal Revenue Code of 1986 to eliminate the taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2011

Mr. BOREN introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to eliminate the taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ELIMINATION OF TAXABLE INCOME LIMIT ON**  
4 **PERCENTAGE DEPLETION FOR OIL AND NAT-**  
5 **URAL GAS PRODUCED FROM MARGINAL**  
6 **PROPERTIES.**

7 (a) IN GENERAL.—Subparagraph (H) of section  
8 613A(c)(6) of the Internal Revenue Code of 1986 (relating

1 to oil and natural gas produced from marginal properties)  
2 is amended to read as follows:

3           “(H) NONAPPLICATION OF TAXABLE IN-  
4           COME LIMIT WITH RESPECT TO MARGINAL PRO-  
5           DUCTION.—The second sentence of subsection  
6           (a) of section 613 shall not apply to so much  
7           of the allowance for depletion as is determined  
8           under subparagraph (A).”.

9           (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2010.

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