

112TH CONGRESS
1ST SESSION

S. 1007

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.

IN THE SENATE OF THE UNITED STATES

MAY 17, 2011

Mr. INHOFE introduced the following bill; which was read twice and referred to the Committee on Finance

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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