

110TH CONGRESS  
1ST SESSION

# S. 905

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 SENATE OF THE UNITED STATES

MARCH 15, 2007

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

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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, 2006.

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