



TaxNewsFlash

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Notice 2025-32: Inflation adjustment factor and phase-out for enhanced oil recovery credit

The [Internal Revenue Bulletin \(IRB\) 2025-27](#) (dated June 27, 2025) includes Notice 2025-32, which announces the inflation adjustment factor and phase-out amount for the enhanced oil recovery credit for tax years beginning in the 2025 calendar year.

Because the reference price for the 2024 calendar year (\$74.48) exceeds \$28 multiplied by the inflation adjustment factor for the 2025 calendar year ($\$28 \text{ multiplied by } 2.1115 = \59.12) by \$15.36, the enhanced oil recovery credit for qualified costs paid or incurred in 2025 is phased-out completely.

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