No. 2025-201
June 30, 2025

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 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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