



# TaxNewsFlash

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## IRS notices provide inflation adjustment factor for carbon oxide sequestration credit and reference price for determining enhanced oil recovery and marginal well production credits

The [Internal Revenue Bulletin 2026-22](#) (dated May 26, 2026) includes two notices publishing the 2026 inflation adjustment factor for the carbon oxide sequestration credit and the 2025 reference price for the enhanced oil recovery and marginal well production credits.

### Notice 2026-29

Notice 2026-29 provides the inflation adjustment factor for the credit for carbon oxide sequestration under section 45Q for calendar year 2026. This factor is used to determine the allowable credit amount for taxpayers making an election under section 45Q(b)(3) to apply the dollar amounts under section 45Q(a)(1) or (2) instead of the amounts under section 45Q(a)(3) or (4).

For calendar year 2026, the inflation adjustment factor is 1.4639. Consequently, the section 45Q credit for calendar year 2026 is \$29.28 per metric ton of qualified carbon oxide under section 45Q(a)(1) and \$14.64 per metric ton under section 45Q(a)(2).

### Notice 2026-30

Notice 2026-30 provides the reference price under section 45K(d)(2)(C) for calendar year 2025. While the credit period for the nonconventional source production credit under section 45K ended on December 31, 2013, for facilities producing coke or coke gas (other than from petroleum-based products), the reference price remains applicable for determining the amount of the enhanced oil recovery credit under section 43, the marginal well production credit for qualified crude oil production under section 45I, and the applicable percentage used to determine percentage depletion for oil and natural gas produced from marginal properties under section 613A.

The reference price under section 45K(d)(2)(C) for calendar year 2025 is \$63.40.

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