

119TH CONGRESS
1ST SESSION

H. R. 662

To amend the Internal Revenue Code of 1986 to allow intangible drilling and development costs to be taken into account when computing adjusted financial statement income.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2025

Mr. CAREY (for himself, Mr. VICENTE GONZALEZ of Texas, Mr. LANGWORTHY, Mr. RULLI, Mr. DAVIDSON, Mr. CRENSHAW, Mr. ZINKE, Mr. BALDERSON, Mr. VEASEY, Mr. LAHOOD, Mr. CARTER of Texas, Mr. MEUSER, Mr. THOMPSON of Pennsylvania, Mrs. MILLER of Illinois, Mr. HERN of Oklahoma, Ms. TENNEY, Mrs. MILLER of West Virginia, Mr. WILLIAMS of Texas, Mr. CUELLAR, Mr. HUNT, Mr. MANN, Mr. MILLER of Ohio, Mr. COLE, Mr. WEBER of Texas, Mr. NEWHOUSE, Mr. McDOWELL, Mr. FALLON, Ms. VAN DUYNE, Mr. MURPHY, Mr. ELLZEY, Mr. BABIN, Mr. EVANS of Colorado, Mr. GOLDMAN of Texas, and Ms. MALLIOTAKIS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow intangible drilling and development costs to be taken into account when computing adjusted financial statement income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Promoting Domestic
3 Energy Production Act”.

4 **SEC. 2. INTANGIBLE DRILLING AND DEVELOPMENT COSTS**
5 **TAKEN INTO ACCOUNT FOR PURPOSES OF**
6 **COMPUTING ADJUSTED FINANCIAL STATE-**
7 **MENT INCOME.**

8 (a) IN GENERAL.—Section 56A(c)(13) of the Inter-
9 nal Revenue Code of 1986 is amended—

10 (1) by striking subparagraph (A) and inserting
11 the following:

12 “(A) reduced by—

13 “(i) depreciation deductions allowed
14 under section 167 with respect to property
15 to which section 168 applies to the extent
16 of the amount allowed as deductions in
17 computing taxable income for the year,
18 and

19 “(ii) any deduction allowed for ex-
20 penses under section 263(c) with respect to
21 property described therein to the extent of
22 the amount allowed as deductions in com-
23 puting taxable income for the year, and”,
24 and

25 (2) by striking subparagraph (B)(i) and insert-
26 ing the following:

1 “(i) to disregard any amount of—

2 “(I) depreciation expense that is
3 taken into account on the taxpayer’s
4 applicable financial statement with re-
5 spect to such property, and

6 “(II) depletion expense that is
7 taken into account on the taxpayer’s
8 applicable financial statement with re-
9 spect to the intangible drilling and de-
10 velopment costs of such property,
11 and”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2025.

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