AMENDMENT TO
RULES COMMITTEE PRINT 115-39
OFFERED BY MR. POLIS OF COLORADO

At the end of subtitle B of title III, add the following:

SEC. 3102. REPEAL OF EXPENSING FOR INTANGIBLE DRILLING COSTS WITH RESPECT TO OIL AND GAS WELLS.

(a) IN GENERAL.—Section 263(c) is amended—

(1) by striking “AND GEOTHERMAL WELLS” and all that follows through “Notwithstanding subsection (a)” and inserting the following: “AND GEOTHERMAL WELLS.—

“(1) IN GENERAL.—Notwithstanding subsection (a), and

(2) by adding at the end the following new paragraph:

“(2) AMORTIZATION FOR OIL AND GAS WELLS.—In the case of intangible drilling and development costs paid or incurred with respect to an oil or gas well in a taxable year beginning after December 31, 2017—

“(A) paragraph (1) shall not apply, and
“(B) at the election of the taxpayer, such costs be allowable as a deduction ratably over the 60-month period beginning with the month in which the costs are paid or incurred.

For purposes of section 1254, any deduction under this paragraph shall be treated as a deduction under this subsection.”.

(b) EFFECTIVE DATE.—The amendment made by this shall apply to costs paid or incurred in taxable years beginning after December 31, 2017.