



[4830-01-P]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Credit for Indian Coal Production and Inflation Adjustment Factor for Calendar Years 2018 and 2019

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Publication of inflation adjustment factor for Indian coal production for calendar years 2018 and 2019 under section 45(e)(10)(B) (26 U.S.C. 45(e)(10)(B)) of the Internal Revenue Code.

SUMMARY: The inflation adjustment factor is used in determining the availability of the credit for Indian coal production under section 45. Section 128 of Division Q of the Further Consolidated Appropriations Act, 2020 (Pub. L. No. 116-94) extends the credit period for the Indian coal production credit from a 12-year period beginning on January 1, 2006, to a 15-year period beginning on January 1, 2006. This provision is effective for coal produced in the United States or a possession thereof after December 31, 2017.

DATES: The 2018 inflation adjustment factor applies to calendar year 2018 sales of Indian coal produced in the United States or a possession thereof. The 2019 inflation adjustment factor applies to calendar year 2019 sales of Indian coal produced in the United States or a possession thereof.

Inflation Adjustment Factor: The inflation adjustment factor for calendar year 2018 for Indian coal is 1.2330. The inflation adjustment factor for calendar year 2019 for Indian coal is 1.2627.

Credit Amount for Indian Coal: As required by section 45(e)(10)(B)(ii), the \$2.00 amount in section 45(e)(10)(B)(i) is adjusted by multiplying such amount by the inflation adjustment factor for the calendar year. Under the calculation required by section 45(e)(10)(B)(ii), the credit for Indian coal production for calendar year 2018 under section 45(e)(10)(B) is \$2.466 per ton on the sale of Indian coal. Under the calculation required by section 45(e)(10)(B)(ii), the credit for Indian coal production for calendar year 2019 under section 45(e)(10)(B) is \$2.525 per ton on the sale of Indian coal.

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