

High-Income Investors Are Increasingly Exploring Oil and Gas Tax Strategies, SWAT Advisors Reports

SWAT Advisors reports growing interest from high-income investors in oil and gas tax strategies following restored bonus depreciation rules.

CALIFORNIA, CA, UNITED STATES, September 15, 2026 /EINPresswire.com/ -- Firm Says Restored Deduction Rules Are Driving Renewed Interest From Investors Outside the Energy Industry

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Amit Chandel, Founder and Chief Tax Strategist, SWAT Advisors

[SWAT Advisors](#), a California-based [tax planning](#) and advisory firm founded by Amit Chandel, CPA and LLM (Tax), is reporting increased interest from high-income investors in oil and gas tax strategies, a shift the firm attributes to recent changes in federal deduction rules combined with the tax-planning constraints many high earners face through traditional investment vehicles.

Why Oil and Gas Investments Carry Distinct Tax Treatment

Oil and gas working interests have long carried a different tax profile than most passive investments. Intangible drilling costs, which typically account for 70 to 80 percent of a well's total cost, are generally deductible in full during the year they are incurred. Tangible drilling costs, covering equipment such as wellheads and casing, were historically depreciated over several years but are now eligible for full first-year deduction under bonus depreciation rules restored on a permanent basis for qualifying property placed in service after January 19, 2025.

Working interest holders are also generally exempt from the passive activity loss limitations that apply to most other investment types, meaning losses generated by a qualifying investment can, in some circumstances, offset other active income. A percentage depletion allowance also lets investors deduct a portion of gross income from production.

"High-income earners are often surprised by how differently oil and gas investments are treated compared to real estate or securities," said Amit Chandel, Founder and Chief Tax Strategist at SWAT Advisors. "The combination of full first-year deductions on tangible costs, immediate

expensing on intangible costs, and the exemption from passive loss limits creates a tax profile that doesn't really exist elsewhere. That's a big part of why interest has picked up."

Renewed Deduction Rules Are Prompting a Fresh Look

For several years, bonus depreciation followed a phase-down schedule that reduced the first-year deduction available on tangible drilling equipment each year, a trend that made the [tax benefits](#) of new investment less attractive over time. Legislation passed in 2025 reversed that trajectory, restoring 100 percent bonus depreciation permanently for qualifying property, a change that has renewed attention to the deduction potential of drilling-related investments.

Investors and advisors who had previously modeled oil and gas opportunities around a shrinking deduction are now recalculating based on the restored full-expensing treatment, according to the firm.

Considerations Beyond the Tax Benefit

Chandel noted that oil and gas investments carry investment risks distinct from their tax characteristics, including well performance, commodity price exposure, and operator track record, all of which should be evaluated independently of the tax treatment involved.

"The tax benefits are real, but they shouldn't be the only reason someone gets into an oil and gas investment," Chandel said. "These are still investments with real operational and market risk. Anyone considering this space needs to look at the underlying deal, not just the deduction, and understand how the tax treatment fits into their broader financial picture, including oil and gas tax planning specific to their income level and investment structure."

Who Tends to Consider This Strategy

High-income earners facing significant tax liability from W-2 income, business profits, or capital gains have historically made up a large share of investors drawn to this category, particularly those seeking to offset active income in a given tax year. Because eligibility for certain benefits depends on how an investment is structured, the firm noted that outcomes vary considerably based on individual circumstances and the specific terms of a given offering.

About SWAT Advisors

SWAT Advisors is a California-based tax planning and advisory subsidiary of Focus CPA Group Inc., founded in 2023 by Amit Chandel, a CPA and LLM in Tax. The firm specializes in proactive tax strategy for business owners, professionals, and high-net-worth individuals, providing comprehensive tax planning services, wealth preservation strategies, retirement planning, exit planning, and business succession planning. With over 20 years of combined experience in California, SWAT Advisors has helped clients across diverse industries identify tax-saving opportunities and build sustainable wealth. The firm serves clients in Northern and Southern

California and works with business owners nationwide.

For more information about SWAT Advisors and how strategic tax planning can transform your financial future, visit our website.

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