



# Finance Act 2007

## 2007 CHAPTER 11

### PART 7

#### MISCELLANEOUS

##### *Petroleum revenue tax*

#### **102 Abolition of PRT for fields recommissioned after earlier decommissioning**

- (1) Section 185 of FA 1993 (abolition of PRT for oil fields with development consents on or after 16th March 1993) is amended as follows.
- (2) In subsection (1) (meaning of “non-taxable field” and “taxable field”), after paragraph (b) insert “ or an oil field which does not meet the conditions in paragraphs (a) and (b) above but which does meet the conditions in subsection (1A) below ”.
- (3) After that subsection insert—
  - “(1A) An oil field meets the conditions in this subsection if—
    - (a) the Secretary of State has at any time approved one or more abandonment programmes under Part 4 of the Petroleum Act 1998 (or Part 1 of the Petroleum Act 1987) in relation to all assets of the field which are relevant assets;
    - (b) those programmes have been carried out to the satisfaction of the Secretary of State;
    - (c) a development decision is made in relation to the field; and
    - (d) that decision is made on or after 16th March 1993 and after those programmes have been so carried out.
  - (1B) For the purposes of subsection (1A)(a) above, an asset is a relevant asset of an oil field if—
    - (a) it has at any time been a qualifying asset (within the meaning of the 1983 Act) in relation to any participator in the field; and

*Status: Point in time view as at 01/04/2008.*

**Changes to legislation:** Finance Act 2007, Cross Heading: Petroleum revenue tax is up to date with all changes known to be in force on or before 28 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) it has at any time been used for the purpose of winning oil from the field.
- (1C) For the purposes of subsection (1A)(c) and (d) above, a development decision is made in relation to an oil field when—
  - (a) consent for development is granted to a licensee by the Secretary of State in respect of the whole or part of the field; or
  - (b) a programme of development is served on a licensee or approved by the Secretary of State for the whole or part of the field.”
- (4) In subsection (7) (meaning of “development” etc), for “subsections (1) and (2)” substitute “this section”.
- (5) An oil field which meets the conditions in subsection (1A) of section 185 of FA 1993 (as inserted by subsection (3) above) becomes a non-taxable field for the purposes of any enactment relating to petroleum revenue tax—
  - (a) in any case where the development decision is made before 1st July 2007, on that date, and
  - (b) in any other case, on the date on which the development decision is made.

### **103 Tax-exempt tariffing receipts**

- (1) Section 6A of the Oil Taxation Act 1983 (c. 56) (tax-exempt tariffing receipts) is amended as follows.
- (2) In subsection (4), insert at the end “or
  - (c) use in relation to a UK recommissioned field (see subsection (5) below) or oil won from such a field.”
- (3) In subsection (5), insert at the end—
 

““UK recommissioned field” means any oil field which is not a new field or qualifying existing field but as respects which the conditions in section 185(1A) of the Finance Act 1993 are satisfied (fields recommissioned after earlier decommissioning).”
- (4) The amendments made by this section are deemed to have come into force on 1st July 2007.

### **104 Allowance of unrelievable loss from abandoned field**

- (1) In section 6 of the Oil Taxation Act 1975 (c. 22) (allowance of unrelievable loss from abandoned field), after subsection (4) insert—
 

“(4A) For the purposes of this section and Schedule 8 to this Act, the winning of oil from an oil field shall not be regarded as having permanently ceased until all the oil wells in the field have been permanently abandoned.”
- (2) The amendment made by subsection (1) is deemed to have come into force on 1st July 2007.

**Status:**

Point in time view as at 01/04/2008.

**Changes to legislation:**

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