



Finance Act 1981

1981 CHAPTER 35

[^{F1}PART VIII

SUPPLEMENTARY PETROLEUM DUTY

[^{F1}127 Deduction of duty in computing income for corporation tax.

- (1) Where a participator in an oilfield has paid any duty with which he was chargeable for a chargeable period, then, in computing for corporation tax the amount of his income arising in the relevant accounting period from oil extraction activities or oil rights, there shall be deducted an amount equal to that duty; and there shall be made all such adjustments of assessments to corporation tax as are required in order to give effect to this subsection.
- (2) For the Purposes of subsection (1) above the relevant accounting period, in relation to any duty paid by a company, is—
 - (a) the accounting period of the company in or at the end of which the chargeable period for which the duty was charged ends; or
 - (b) if that chargeable period ends after the accounting period of the company in or at the end of which the trade giving rise to the income referred to in subsection (1) above is permanently discontinued, that accounting period.
- (3) Subject to subsection (4) below, if some or all of the duty in respect of which a deduction has been made under subsection (1) above is subsequently repaid, that deduction shall be reduced or extinguished accordingly; and any additional assessment to corporation tax required in order to give effect to this subsection may be made at any time not later than six years after the end of the accounting period in which the duty was repaid.
- (4) Subsection (3) above does not apply to any repayment of duty under section 125 above but any amount of duty repaid to a person under that section shall be treated as his income for the purpose of corporation tax.
- (5) Where, because of a deduction made under subsection (1) above in computing for corporation tax the amount of a company's income of any kind, the amount of advance

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corporation tax which can be set against the company's liability to corporation tax for an accounting period is less than the amount of advance corporation tax which could have been set against that liability if the deduction had not been made, then, if a claim in that behalf is made by the company not later than two years after the end of that accounting period, an amount of advance corporation tax equal to the difference shall be repaid to the company.

- (6) In this section “oil extraction activities” and “oil rights” have the meaning given in section 19(1) of the principal Act.]

Textual Amendments

- F1** Part VIII (ss. 122–128) repealed by [Finance Act 1982 \(c. 39\)](#), s. 157(6), **Sch. 22 Pt. IX** for chargeable periods ending after 31 December 1982.

Modifications etc. (not altering text)

- C1** See [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 498(8)—in determining the amount of any advance corporation tax (“ACT”) repayable under s. 172(5) any Act in respect of distribution actually made on or after 17 March 1987 shall be left out of account.

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