



# Oil Taxation Act 1983

## 1983 CHAPTER 56

### *Reliefs for expenditure*

#### **1 Expenditure incurred on non-dedicated mobile assets.**

- (1) Subject to subsection (3) below, with respect to expenditure which is or was incurred after 30th June 1982 in acquiring, bringing into existence or enhancing the value of an asset, section 4 of the principal Act (allowance of expenditure on long-term assets) shall apply only where—
- (a) the asset is a mobile asset which is not dedicated to the oil field referred to in subsection (1) of that section; or
  - (b) the expenditure is incurred as mentioned in section 13(1)(b) below.
- (2) Where section 4 of the principal Act applies as mentioned in subsection (1)(a) above, it shall so apply with the following modifications:—
- (a) in subsection (1), after the words “subsection (13) below” there shall be inserted the words “and section 1 of the Oil Taxation Act 1983” and for the words from “whose useful life” to “used” there shall be substituted the words “which, at the end of the first relevant claim period, is or is expected to be a long-term asset as defined in section 3(8) of the Oil Taxation Act 1983”;
  - (b) subsections (3) and (4) shall be omitted;
  - (c) in subsection (5), paragraph (a) and the words “in any other case” in paragraph (b) shall be omitted and, in paragraph (b), for the words “that connection” there shall be substituted the words “connection with the field”;
  - (d) subsection (6) shall be omitted;
  - (e) in subsection (7), for the words from the beginning to “each subsequent claim period” there shall be substituted the words “For each claim period subsequent to the first relevant claim period and” and for the words “subsections (5) and (6)” there shall be substituted the words “subsection (5)”;
  - (f) in subsection (11) for the words from “subsections (5)” to “they apply” there shall be substituted the words “subsection (5) above (including that subsection as it applies”.

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*Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 1. (See end of Document for details)*

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- (3) If the asset referred to in subsection (1)(a) above becomes dedicated to the oil field referred to in subsection (1) of section 4 of the principal Act or is or becomes dedicated to another oil field,—
- (a) expenditure incurred as mentioned in subsection (1) above shall not be allowable under section 4 of the principal Act for a claim period for which it is allowable under section 3 below nor, subject to paragraph (b) below, for a claim period which falls wholly or partly within a claim period of another field to which the asset is or becomes dedicated, being a claim period for which the expenditure is allowable; and
  - (b) where expenditure incurred in relation to the asset becomes allowable under section 3 below, no part of that expenditure shall be allowable under section 4 of the principal Act for any claim period ending less than six months before the end of a claim period for which the expenditure is allowable under section 3 below.
- (4) Paragraph 4 of Schedule 4 to the principal Act (reduction of allowable expenditure on disposal of long-term asset formerly used in connection with an oil field) does not apply to any disposal of an asset after 30th June 1982 unless the asset is a mobile asset which is not dedicated to the oil field referred to in section 4(1) of the principal Act.

**Changes to legislation:**

There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 1.