



Oil Taxation Act 1983

1983 CHAPTER 56

Charge of receipts

9 Tariff receipts allowance

- (1) Subject to the provisions of this section and Schedule 3 to this Act if, in computing the assessable profit or allowable loss accruing to a participator from an oil field (in this section referred to as " the principal field ") in any chargeable period, account would be taken, apart from this section, of an amount of qualifying tariff receipts received or receivable by him for that period from a user field, then, for the purpose of determining his liability (if any) to tax for that period, the amount of those qualifying tariff receipts shall be treated as reduced as follows, that is to say.—
 - (a) if that amount exceeds the cash equivalent of his share of the tariff receipts allowance in respect of that user field for that period, to an amount equal to the excess ; or
 - (b) if that amount equals the cash equivalent of his share of that allowance, to nil.
- (2) Subject to subsections (3) and (4) below, for the participators in the principal field there shall be, for each chargeable period, a separate tariff receipts allowance of 250,000 metric tonnes in respect of each user field.
- (3) In a case where the whole of the qualifying tariff receipts of the participators in the principal field from a particular user field are receipts under a contract or contracts made before 8th May 1982, subsection (2) above shall have effect with respect to chargeable periods ending on or before 30th June 1987 with the substitution, for 250,000 metric tonnes, of 375,000 metric tonnes.
- (4) Schedule 3 to this Act shall have effect—
 - (a) for determining for the purposes of this section the cash equivalent of a participator's share of the tariff receipts allowance in respect of a user field for a chargeable period; and
 - (b) generally for supplementing subsections (1) to (3) above.
- (5) Any reference in this section or in Schedule 3 to this Act to a user field is a reference—
 - (a) to an oil field other than the principal field ; or

Status: This is the original version (as it was originally enacted).

- (b) to an area which is not under the jurisdiction of the government of the United Kingdom but which, by an order made by statutory instrument by the Secretary of State for the purposes of this Act, is specified as a foreign field.
- (6) In this section—
- (a) "qualifying tariff receipts" means tariff receipts in relation to which the principal field is the chargeable field and which are attributable to, or to the provision of services or other business facilities in connection with, the use of any asset for extracting, transporting, initially treating or initially storing oil won otherwise than from the principal field ; and
- (b) any reference to qualifying tariff receipts received from a user field is a reference to any of those receipts which are received from a participator in the user field in respect of the use of an asset for extracting, transporting, initially treating or initially storing oil won from that field or the provision of services or other business facilities in connection with that use ;
- and, for the purposes of this section and Schedule 3 to this Act, an oil field which, by virtue of section 107 of the Finance Act 1980 (transmedian fields), is deemed to include the sector mentioned in subsection (1)(a)(ii) of that section, shall be treated as two separate oil fields, one being that sector and the other being the rest of the field.
- (7) In relation to any user field which is not an oil field within the meaning of the principal Act.—
- (a) references to oil are references to any substance that would be oil within the meaning of that Act if the enactments mentioned in section 1(1) thereof extended to the user field; and
- (b) references to a participator are references to a person who is, or has rights, interests or obligations of, a licensee in respect of the user field under the law of a country outside the United Kingdom.
- (8) Section 111 of the Finance Act 1981 (restriction of expenditure supplement) shall have effect with respect to chargeable periods ending after 1st July 1982 with the insertion, at the end of paragraph (c) of subsection (3), of the words “and
- (d) if any qualifying tariff receipts, within the meaning of section 9 of the Oil Taxation Act 1983, are received or receivable by the participator for that period, any amount by which those receipts are treated as reduced by virtue of that section shall be brought into account in that computation as an addition to the positive amounts referred to in section 2(3)(a) of the principal Act”.
- (9) For the purposes of this section and Schedule 3 to this Act 1,100 cubic metres of oil consisting of gas at the temperature and pressure mentioned in section 1(4) of the principal Act shall be counted as equivalent to one metric tonne of oil other than gas.
- (10) In any case where there is in force a scheme which, for the purposes of section 108 of the Finance Act 1980 (gas banking schemes) is either a gas banking scheme or an international gas banking scheme, then, whether or not an election is made under that section, in determining for the purposes of this section and Schedule 3 to this Act what oil is won from a particular user field, oil consisting of gas which is transferred to a user field pursuant to the scheme shall be treated as won from that field.