

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 91 and Schedule 45: Oil: Miscellaneous Amendments

Details of the Schedule

The Oil Taxation Act (OTA) 1975

2. Paragraph 1 removes the provision for allowing a participator to spread “supplemented” expenditure giving relief for up to 20 chargeable periods and the provision for allowing companies to claim certain expenditure incurred before the introduction of PRT.
3. Sub-paragraphs (2) and (3) amend Schedule 3 to OTA 1975 by omitting paragraphs 9 and 10 which allow participators to spread the relief they get for certain costs (supplemented expenditure) over a number of chargeable periods.
4. Sub-paragraph (4) amends Schedule 4 to OTA 1975 by omitting paragraph 3. This provision allowed companies to claim certain expenditure incurred before the introduction of PRT. Since such expenditure is subject to a six year time limit the legislation is no longer required.

Ota 1983

5. Paragraph 2 removes an alternative formula for calculating tariff receipts allowance from OTA 1983.
6. Sub-paragraph (2) omits section 9(3) and paragraph 3 of Schedule 3 to OTA 1983. This applies an alternative formula for calculating tariff receipts allowance for chargeable periods ending on or before 30 June 1987 and is thus no longer required.
7. Sub-paragraph (3) removes the now redundant references to subsection (3) that appear elsewhere in section 9.
8. Sub-paragraph (4) omits sections 13 and 14 of, and Schedule 5 to OTA 1983 (transitional provision for expenditure incurred on or before 31 December 1983) as these rules are no longer applicable.

Finance Act (FA) 1993

9. Paragraph 3 addresses a renumbering issue in FA 1993.

The Income and Corporation Taxes Act 1988 (ICTA)

10. Paragraph 4 amends the ring fence corporation tax (CT) legislation to fully align the definition of a consortium, for the purposes of determining whether or not companies are associated, with the general CT definition.