

FINANCE ACT 2014

EXPLANATORY NOTES

INTRODUCTION

Section 70 and Schedule 15: Supplementary Charge: Onshore Allowance

Background Note

43. In addition to ring fence corporation tax (RFCT), oil and gas companies are also subject to an additional tax, the supplementary charge (SC), on adjusted ring fence profits arising from oil-related activities. The rate of SC is set at 32 per cent.
44. Field allowances provide relief by reducing the amount of adjusted profits on which SC is due for oil and gas projects which meet certain conditions. Existing field allowances are provided by Part 8, Chapter 7 Corporation Taxes Act 2010 and apply to both onshore and offshore projects which satisfy the relevant criteria.
45. This section introduces a new allowance, replacing field allowances for onshore projects.