

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

SCHEDULES

SCHEDULE 1

Section 3.

ALLOWABLE EXPENDITURE

Modifications etc. (not altering text)

- C1** Sch. 1 modified by 1975 c. 22, Sch. 4 para. 2(1)(b) (as inserted (with effect where the transaction to which 1975 c. 22, Sch. 4 para. 2 applies takes place on or after 16.3.1993) by 1993 c. 34, s. 191(4)(6))

PART I

EXTENSIONS OF ALLOWABLE EXPENDITURE FOR ASSETS GENERATING RECEIPTS

Associated assets

- 1 (1) This paragraph applies where, after 30th June 1982, a participator in an oil field (in this paragraph referred to as “the principal field”) incurs or incurred expenditure in acquiring, bringing into existence or enhancing the value of an asset—
- which is not a mobile asset and which, apart from this paragraph, does not fall within subsection (1)(a) of section 3 of this Act; and
 - the use of which gives rise, or is expected to give rise, to receipts which, assuming the asset to be a qualifying asset, would be tariff receipts; and
 - the useful life of which continues, or is expected to continue, after the end of the first chargeable period in which the receipts referred to in paragraph (b) above arise; and
 - which is, or is expected to be, used in association with another asset which itself is, has been, or is expected to be, used in connection with the principal field;

and, where this paragraph applies, the asset on which the expenditure is or was incurred is in the following provisions of this paragraph referred to as “the associated asset”.

- Subject to section 4(2) of this Act, for the purposes of section 3 of this Act, Part II below and section 3 of the principal Act, the use of the associated asset to give rise to the receipts referred to in sub-paragraph (1)(b) above shall be assumed to be use in connection with the principal field.
- For the purposes of this paragraph, an asset shall not be regarded as used in association with another asset which is, has been or is expected to be used in connection with the principal field unless it is used in a way—
 - which constitutes use in connection with another oil field; or
 - which would constitute such use but for section 10(2) of the principal Act (exempt gas); or

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(c) which, on the assumptions in sub-paragraph (4) below, would constitute use in connection with an external field;

and for the purposes of paragraph (c) above, an external field is an area which is not under the jurisdiction of the government of the United Kingdom.

(4) The assumptions referred to in sub-paragraph (3)(c) above are—

(a) that every external field is situated in a designated area and is an oil field within the meaning of Part I of the principal Act; and

(b) that references in Part I of the principal Act to oil are references to any substance that would be oil if the enactments mentioned in section 1(1) thereof extended to the external field; ^{F1} . . .

^{F1}(c)

Textual Amendments

F1 Sch. 1 para. 1(4)(c) and the word “and” immediately preceding it repealed (16.7.1992 with effect in accordance with s. 74(5) of the repealing Act) by Finance (No. 2) Act 1992 (c. 48), ss. 74(5), 82, Sch. 15 para. 6, Sch. 18 Pt.VIII.

Restriction of relief for remote associated assets

2 (1) The provisions of this paragraph apply where some part of the associated asset is situated more than 100 metres from the nearest part of another asset—

- (a) in association with which the associated asset is or is expected to be used; and
- (b) which is, has been or is expected to be used in a way which, otherwise than by virtue of paragraph 1 above, constitutes use in connection with the principal field;

and sub-paragraphs (3) and (4) of paragraph 1 above have effect for the purposes of this sub-paragraph as they have effect for the purposes of that paragraph.

(2) In sub-paragraph (1) above,—

- (a) “the associated asset” has the meaning assigned to it by sub-paragraph (1) of paragraph 1 above;
- (b) “the principal field” has the same meaning as in that paragraph;

and where the associated asset falls within sub-paragraph (1) above it is in the following provisions of this paragraph referred to as “the remote asset”.

(3) For the purpose of determining, in accordance with subsection (8) of section 2 of the principal Act, the amount to be debited or credited to a participator for a chargeable period in respect of expenditure, where any expenditure which is or was incurred by the participator in respect of the remote asset—

- (a) is expenditure to which section 3 of this Act or section 3 of the principal Act applies by virtue only of paragraph 1 above, and
- (b) has been allowed on a claim under Schedule 5 or Schedule 6 to the principal Act before the Board have made an assessment to tax or a determination on or in relation to the participator for a chargeable period earlier than that referred to in sub-paragraph (5) below,

the expenditure shall be treated for the purposes of paragraph (b) or paragraph (c) of subsection (9) of the said section 2 as having been allowed immediately before the Board made an assessment to tax or a determination on or in relation to the

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participator for the period specified in sub-paragraph (5) below and not at any earlier time.

- (4) In determining under subsection (4) of section 111 of the ^{M1}Finance Act 1981 (restriction of expenditure supplement) whether, if account were to be taken of certain expenditure, a net profit would not have accrued to a participator in a chargeable period, expenditure which—

- (a) is or was incurred by the participator in respect of the remote asset, and
- (b) is expenditure to which section 3 of this Act or section 3 of the principal Act applies by virtue only of paragraph 1 above,

shall be disregarded unless the chargeable period in question is, or is later than, the period specified in sub-paragraph (5) below.

- (5) The chargeable period referred to in sub-paragraphs (3) and (4) above is the first in which either—

- (a) by virtue of section 6(1) of this Act, the positive amounts for the purposes of section 2 of the principal Act include (after taking account of any reduction under section 9 of this Act) an amount of tariff receipts derived, in whole or in part, from the remote asset; or
- (b) by virtue of section 7(1) of this Act, the positive amounts for the purposes of section 2 of the principal Act include an amount of disposal receipts in respect of the disposal of, or of an interest in, that asset.

- (6) For any chargeable period in which expenditure incurred by a participator in respect of the remote asset falls to be brought into account under paragraph (b) or paragraph (c) of subsection (9) of section 2 of the principal Act the amount of that expenditure which is to be so brought into account shall not exceed the aggregate of—

- (a) the amount of the tariff receipts (if any) which are derived in whole or in part, from the remote asset, and
- (b) the amount of the disposal receipts (if any) in respect of the disposal of, or of an interest in, the remote asset,

which (after taking account of any reduction under section 9 of this Act) are included in the positive amounts for that chargeable period for the purposes of that section.

- (7) In any case where—

- (a) for any chargeable period the positive amounts for the purposes of section 2 of this Act include an amount (in this sub-paragraph referred to as “the reduced amount”) which represents an amount of qualifying tariff receipts which were received from one user field and which have been reduced by virtue of section 9 of this Act, and
- (b) those qualifying tariff receipts include tariff receipts which are derived, in whole or in part, from the remote asset as well as other tariff receipts,

the portion of the reduced amount which is to be regarded for the purpose of the preceding provisions of this paragraph as tariff receipts derived, in whole or in part, from the remote asset shall bear to the whole of the reduced amount the same proportion as, before the reduction, the tariff receipts so derived bore to the whole of the qualifying tariff receipts in question.

- (8) For the purpose of the preceding provisions of this paragraph a tariff receipt is derived, in whole or in part, from the remote asset if it consists of or includes consideration in respect of—

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- (a) the use of the remote asset; or
 - (b) the provision of services or other business facilities of whatever kind in connection with the use of that asset;
- and subsection (6) of section 9 of this Act shall have effect for the purposes of sub-paragraph (7) above as it has effect for the purposes of that section.

Marginal Citations

M1 1981 c. 35.

Assets no longer in use for the principal field

- 3 (1) This paragraph applies where—
- (a) a participator in an oil field (in this paragraph referred to as “the principal field”) incurs expenditure in enhancing the value of [^{F2}or otherwise in connection with] an asset which is not a mobile asset; and
 - (b) before the expenditure was incurred the asset had already been used or was expected to be used in connection with the principal field (and, accordingly, is a qualifying asset); and
 - (c) at the end of the claim period in which the expenditure is incurred, the asset is no longer being, and is not expected to be, used in connection with the principal field; and
 - (d) [^{F3}either the use of the asset] gives rise or is expected to give rise to tariff receipts or [^{F4}the expenditure] is incurred with a view to the subsequent disposal of the asset or of an interest in it.
- (2) For the purposes of section 3 of this Act, Part II below and section 3 of the principal Act,—
- (a) the use of the asset referred to in sub-paragraph (1) above to give rise to tariff receipts shall be assumed to be use in connection with the principal field; and
 - (b) if the subsequent disposal of, or of an interest in, the asset gives or is expected to give rise to disposal receipts, the asset shall be assumed to be being used in connection with the principal field throughout the claim period in which the expenditure is incurred.
- [^{F5}(2A) But where—
- (a) the expenditure would (apart from this sub-paragraph) be regarded as incurred with a view to the subsequent disposal of the asset or of an interest in it, and
 - (b) the asset has, at any time in the period of 6 years ending with the date on which the expenditure was incurred, been used in a way that gives rise to tax-exempt tariffing receipts,
- the expenditure shall not be regarded for the purposes of this paragraph as expenditure incurred with a view to the subsequent disposal of the asset or of an interest in it, to the extent that the amount of the expenditure falls to be reduced in accordance with sub-paragraph (2B) below.
- (2B) The reduction is to be made by applying section 7A of this Act in relation to the expenditure as it applies in relation to disposal receipts in respect of a disposal, but with the substitution—

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- (a) for references to the disponor, of references to the participator incurring the expenditure (“the relevant participator”),
- (b) for references to the amount or value (apart from that section) of any disposal receipts of the disponor in respect of the disposal, of references to the amount which would, apart from sub-paragraph (2A) above, be the amount of the expenditure incurred by the relevant participator with a view to the subsequent disposal of the asset or of an interest in it,
- (c) for references to the interest disposed of, of references to the asset or interest whose subsequent disposal gives or is expected to give rise to disposal receipts,
- (d) for references to the date of the disposal, of references to the date on which the expenditure was incurred,

and taking the reference in subsection (6)(b) of that section to a reduction made by virtue of that section as a reference to a reduction made by virtue of that section for the purposes of section 7(9) of this Act.]

- (3) References in sub-paragraphs (1) and (2) above to use in connection with the principal field include references to use which would constitute use in connection with that field but for section 10(2) of the principal Act (exempt gas).

Textual Amendments

- F2** Words inserted by [Finance Act 1988 \(c. 39\), s. 139\(1\)\(a\)](#)
- F3** Words substituted by [Finance Act 1988 \(c. 39\), s. 139\(1\)\(b\)](#)
- F4** Words inserted by [Finance Act 1988 \(c. 39\), s. 139\(1\)\(b\)](#)
- F5** [Sch. 1 para. 3\(2A\)\(2B\)](#) inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\), Sch. 37 para. 6\(2\)](#) (with [Sch. 37 Pt. 2](#))

PART II

SPECIAL RULES AS TO EXPENDITURE ALLOWABLE IN RESPECT OF FIXED ASSETS AND DEDICATED MOBILE ASSETS

Interpretation

4 In this Part of this Schedule—

“allowable expenditure” means expenditure which, subject to the provisions of this Part, is allowable as mentioned in subsection (4) of the principal section;

“the new asset” means the asset referred to in subsection (1) of the principal section which was acquired or brought into existence, or the value of which was enhanced, as a result of the incurring of the allowable expenditure;

“the principal section” means section 3 of this Act;

“the purchaser” means the person referred to in subsection (1) of the principal section as the person incurring the allowable expenditure; and

“the relevant claim period”, in relation to any allowable expenditure, has the same meaning as, by virtue of subsection (5) of the principal section, it has for the purposes of subsection (1) of that section.

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Assets acquired etc. for two or more fields

- 5 (1) Subject to sub-paragraphs (2) and (3) below, where the purchaser is a participator in two or more oil fields (in this paragraph referred to as “the purchaser’s fields”) and, at the end of the relevant claim period, it appears that the new asset is or is expected to be used in connection with two or more of those fields then, unless it seems just and reasonable to attribute all of the allowable expenditure relevant to the new asset to only one of those fields, that expenditure shall be apportioned, in such manner as may be just and reasonable, between those of the purchaser’s fields in connection with which the new asset is or is expected to be used.
- (2) If, in a case falling within sub-paragraph (1) above, the use of the new asset in connection with one of the purchaser’s fields (in this paragraph referred to as “the paying field”) gives, or is at the end of the relevant claim period expected to give, rise to receipts which, by virtue of section 8 of this Act, are to be attributed to another of those fields, as being the chargeable field, so much (if any) of the allowable expenditure as, apart from this sub-paragraph, would be apportioned to the paying field and as is reasonably attributable to the use of the new asset which gives rise to the receipts shall be apportioned to the chargeable field.
- (3) If, in a case falling within sub-paragraph (1) above, it appears, at the end of the relevant claim period, that the new asset also is or is expected to be used otherwise than in connection with a field in which the purchaser is a participator, then—
- (a) in the apportionment made by virtue of sub-paragraph (1) above, such a percentage of the allowable expenditure as is just and reasonable shall be apportioned to that use; and
 - (b) for the purpose of any claim for an allowance in respect of any of the allowable expenditure, the percentage of that expenditure which under paragraph (a) above was apportioned to that use shall be added to the percentage of that expenditure which, under sub-paragraph (1) above, was apportioned to that one of the purchaser’s fields which, in relation to the new asset, is the chargeable field.
- (4) If, in relation to the allowable expenditure, the relevant claim periods of the purchaser’s fields are not the same, references in the preceding provisions of this paragraph to the end of the relevant claim period are references to the end of that relevant claim period which ends earlier or earliest.
- 6 (1) In any case where—
- (a) the new asset is or is expected to be used in connection with two or more oil fields, and
 - (b) no apportionment of the allowable expenditure falls to be made by virtue of paragraph 5 above,
- the allowable expenditure shall be treated as wholly attributable to the use of the asset in connection with that field in which the purchaser is a participator or, if there is more than one such field, that one of them in relation to which a development decision is or was first made.
- (2) Subsection (7) of section 5A of the principal Act (time when development decision is made) shall have effect for the purposes of sub-paragraph (1) above as it has effect for the purposes of subsection (1)(c) of that section.
- [^{F6}(3) Subsection (3A) of section 8 of this Act applies for the purposes of sub-paragraph (1) above as it applies for the purposes of subsection (3)(c) of that section.]

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Textual Amendments

F6 Sch. 1 para. 6(3) added by Finance Act 1986 (c. 41), s. 110(4)

Modifications etc. (not altering text)

C2 Sch. 1 para. 6 deemed always to have had effect as amended by Finance Act 1986 (c. 41), s. 110(4)

Brought-in assets

- 7 (1) The provisions of this paragraph apply where—
- (a) the allowable expenditure is (in whole or in part) referable to the use of the new asset in connection with an oil field which is not an exempt field; and
 - (b) the allowable expenditure was incurred at a time before the new asset was first used in connection with that oil field, discounting, in the case of a mobile asset, any use in a claim period when it was not dedicated to that oil field; and
 - (c) during the period (in this paragraph referred to as “the initial period”) between the time when the new asset was acquired or brought into existence and that first use, the new asset was used
 - [^{F7}(i)] otherwise than in connection with [^{F8}a taxable field], [^{F9}or]
 - [^{F10}(ii)] in connection with a taxable field in a way that gives rise to tax-exempt tariffing receipts,]by the purchaser or a person connected with him.
- (2) In any case where—
- (a) at some time during the initial period the new asset was used in a way which, disregarding section 10(2) of the principal Act (exempt gas), would be use in connection with an exempt field, and
 - (b) at the beginning of the initial period it was not reasonable to expect that the asset would be used in connection with an oil field,
- the amount which, apart from this sub-paragraph, would be the amount of the allowable expenditure in respect of the expected use referred to in sub-paragraph (1) (a) above, shall be reduced to nil.
- (3) In determining whether the condition in sub-paragraph (2)(b) above is fulfilled, no account shall be taken of use which, by virtue only of subsection (3) or subsection (5) of section 4 of this Act, is treated as use in connection with an exempt field.
- (4) In a case where sub-paragraph (2) above does not apply, the amount which, apart from this sub-paragraph, would be the amount of the allowable expenditure shall be reduced by multiplying it by the fraction of which—
- (a) the numerator is a reasonable estimate of so much of the useful life of the asset as remains after the date on which it was first used as mentioned in sub-paragraph (1)(b) above; and
 - (b) the denominator is the aggregate of that reasonable estimate and the initial period.
- (5) In this paragraph an “exempt field” means an oil field from which all the oil won is excluded oil, as defined in section 10(1) of the principal Act.

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Textual Amendments

- F7** Word in Sch. 1 para. 7(1)(c) inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 37 para. 7\(2\)\(a\)](#) (with [Sch. 37 Pt. 2](#))
- F8** Words in Sch. 1 para. 7(1)(c) substituted (27.7.1993) by [1993 c. 34, s. 190\(3\)](#)
- F9** Word in Sch. 1 para. 7(1)(c) inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 37 para. 7\(2\)\(b\)](#) (with [Sch. 37 Pt. 2](#))
- F10** Sch. 1 para. 7(1)(c)(ii) inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 37 para. 7\(2\)\(c\)](#) (with [Sch. 37 Pt. 2](#))

Subsequent use of new asset otherwise than in connection with ^{F11}a taxable field]

Textual Amendments

- F11** Words in [Sch. 1 para. 8](#) heading substituted (27.7.1993) by [1993 c. 34, s. 190\(4\)](#)

- 8 (1) Subject to sub-paragraph (3) below,—
- (a) if at any time the new asset ceases to be used by the purchaser in a way which either constitutes use ^{F12}for a qualifying purpose] or would constitute such use but for section 10(2) of the principal Act (exempt gas), and
 - (b) thereafter, the new asset is or is expected to be used otherwise than ^{F13}for a qualifying purpose] and is not disposed of in circumstances giving rise to disposal receipts,
- the amount which, apart from this paragraph, would be the amount of the allowable expenditure shall be taken to be reduced by multiplying it by the fraction specified in sub-paragraph (2) below.
- (2) The fraction referred to in sub-paragraph (1) above is that of which—
- (a) the numerator is a reasonable estimate of the period beginning when the purchaser first used the asset in connection with ^{F14}a taxable field] or, if it was earlier, when the asset first gave rise to tariff receipts of the purchaser and ending when the asset is or is expected to be first used as mentioned in paragraph (b) of sub-paragraph (1) above after the cessation referred to in paragraph (a) of that sub-paragraph; and
 - (b) the denominator is a reasonable estimate of the useful life of the asset or, where sub-paragraph (4) of paragraph 7 above applies, of so much of that useful life as falls after the date on which the asset was first used as mentioned in sub-paragraph (1)(a) of that paragraph.
- ^{F15}(2A) In sub-paragraph (1) a reference to use for a qualifying purpose is a reference to—
- (a) use in connection with a taxable field, and
 - (b) other use in—
 - (i) the United Kingdom,
 - (ii) the territorial sea of the United Kingdom, or
 - (iii) a designated area,
 except use wholly or partly for an ineligible oil purpose.
- (2B) In this Act a reference to use of an asset for an ineligible oil purpose is a reference to—

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- (a) use in connection with an oil field that is not a taxable field, and
 - (b) use for any other purpose (apart from a purpose falling within section 3(1)(b) of the principal Act) of a separate trade consisting of activities falling within ^[F16]the definition of “oil-related activities” in section 274 of the Corporation Tax Act 2010].
- (2C) In sub-paragraphs (2A) and (2B) a reference to use in connection with a taxable field or other oil field includes use giving rise to receipts which, for the purposes of this Act, are tariff receipts.]
- (3) If and so long as an asset gives rise to
- ^[F17](a) tariff receipts of the purchaser attributable to ^[F14]a taxable field], ^[F18]or
 - ^[F19](b) tax-exempt tariffing receipts which, if they were tariff receipts (and expenditure were or had been allowable accordingly), would be tariff receipts of the purchaser attributable to a taxable field,]
- the asset shall be treated, for the purposes of sub-paragraph (1) above, as if it were used by him in connection with ^[F14]a taxable field],
- (4) If, in any case where the amount of any expenditure falls to be reduced under sub-paragraph (1) above, so much of the expenditure as has been previously allowed on a claim for any claim period exceeds the reduced allowable expenditure, an amount equal to the excess shall be treated (otherwise than for the purposes of paragraph (b) of that sub-paragraph) as disposal receipts of the purchaser arising from the asset in the chargeable period in which the asset ceased to be used as mentioned in paragraph (a) of that sub-paragraph.
- (5) In the case of an asset which has been used in connection with two or more oil fields for which any of the purchaser’s allowable expenditure is or has been allowed or allowable, the chargeable period referred to in sub-paragraph (4) above shall be determined in relation to that one of those fields—
- (a) in connection with which the asset was last used by the purchaser; or
 - (b) if it is later, in respect of which the asset last gave rise to tariff receipts of the purchaser; ^[F20]or
 - (c) if it is later than paragraph (a) and (where otherwise applicable) paragraph (b) above, in respect of which the asset would have last given rise to tariff receipts of the purchaser had tax-exempt tariffing receipts of the purchaser been tariff receipts of his (and if expenditure were or had been allowable accordingly);]
- and the reference in that sub-paragraph to disposal receipts shall accordingly be construed as a reference to disposal receipts attributable to that field.
- (6) In any case where—
- (a) at a time before the new asset is brought into use by the purchaser in such a way as is mentioned in sub-paragraph (1)(a) above, it ceases to be expected to be used in such a way, and
 - (b) thereafter the new asset is or is expected to be used otherwise than in connection with ^[F14]a taxable field] and is not disposed of in circumstances giving rise to disposal receipts,
- the amount which, apart from this paragraph, would be the amount of the allowable expenditure shall be taken to be reduced to nil.

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- (7) In any case where the amount of any expenditure falls to be reduced to nil under sub-paragraph (6) above, an amount equal to so much of the expenditure as has been previously allowed on a claim for any claim period shall be treated (otherwise than for the purposes of paragraph (b) of that sub-paragraph) as disposal receipts of the purchaser arising from the asset in the chargeable period in which the asset ceased to be expected to be used in such a way as is mentioned in sub-paragraph (1)(a) above.

Textual Amendments

- F12** Words in Sch. 1 para. 8(1)(a) substituted (with effect in accordance with Sch. 41 para. 4 of the commencing Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 41 para. 3\(2\)](#)
- F13** Words in Sch. 1 para. 8(1)(b) substituted (with effect in accordance with Sch. 41 para. 4 of the commencing Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 41 para. 3\(2\)](#)
- F14** Words in Sch. 1 para. 8(1)-(3)(6) substituted (27.7.1993) by [1993 c. 34, s. 190\(4\)](#)
- F15** Sch. 1 para. 8(2A)-(2C) inserted (with effect in accordance with Sch. 41 para. 4 of the commencing Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 41 para. 3\(3\)](#)
- F16** Words in Sch. 1 para. 8(2B)(b) substituted (with effect in accordance with s. 1184(1) of the commencing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 183](#) (with [Sch. 2](#))
- F17** Word in Sch. 1 para. 8(3) inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 37 para. 8\(2\)\(a\)](#) (with [Sch. 37 Pt. 2](#))
- F18** Word in Sch. 1 para. 8(3) inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 37 para. 8\(2\)\(b\)](#) (with [Sch. 37 Pt. 2](#))
- F19** Sch. 1 para. 8(3)(b) inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 37 para. 8\(2\)\(c\)](#) (with [Sch. 37 Pt. 2](#))
- F20** Sch. 1 para. 8(5)(c) and word inserted (with effect in accordance with s. 285(6)(b) of the commencing Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 37 para. 8\(3\)](#) (with [Sch. 37 Pt. 2](#))

Mobile assets becoming dedicated assets

- 9 (1) Subject to sub-paragraph (2) below, where any expenditure in connection with a mobile asset has been allowed or is allowable under section 4 of the principal Act and the asset becomes dedicated to an oil field, the expenditure which would otherwise be allowable under the principal section shall be reduced by so much of that expenditure as has been allowed or is allowable under the said section 4.
- (2) Sub-paragraph (1) above does not apply in any case where—
- (a) paragraph 7 above applies; and
 - (b) sub-paragraph (4) of that paragraph applies to reduce the amount of expenditure which is allowable expenditure.

Changes to legislation:

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