



Oil Taxation Act 1975

1975 CHAPTER 22

PART I

PETROLEUM REVENUE TAX

10 Modification of Part I in connection with certain gas sold to British Gas Corporation

- (1) In computing under section 2 of this Act the gross profit or loss (if any) accruing to a participator in any chargeable period from an oil field—
- (a) any oil consisting of gas sold to the British Gas Corporation under a contract made before the end of June 1975 shall be disregarded ; and
 - (b) if at the end of that chargeable period the participator's share, exclusive of oil falling within paragraph (a) above or used for production purposes, of the total amount of oil ever won and saved from the field does not exceed 5 per cent, of his share of the total amount of oil so falling which was ever so won and saved, his share of the oil won and saved from the field but not so falling shall also be disregarded ;

and in the following provisions of this section any oil which falls to be disregarded under this subsection is referred to as " excluded oil".'

- (2) Excluded oil shall be deemed not to be oil for the purposes of the following provisions of this Act, namely section 2(7) and (9), section 3 (except paragraphs (a) to (c) and (i) of subsection (1)) and section 4 (including, in the case of any expression used in any of those provisions which is defined elsewhere, its definition so far as it has effect for the purpose of that provision); and in computing under section 2 of this Act the licence debit or credit (if any) of a participator in an oil field for any chargeable period, any royalty repaid to him in the period in respect of excluded oil shall be disregarded.
- (3) If, in the case of any oil field, the oil won and saved therefrom or expected to be won and saved therefrom includes oil falling within subsection (1)(a) above, then the expenditure allowable under section 3 of this Act for that field by virtue of paragraph (a), (b), (c) or (i) of section 3(1) of this Act shall be a proportion of what it would otherwise have been, and that proportion—

Status: This is the original version (as it was originally enacted).

- (a) in the case of expenditure which would otherwise have been allowable by virtue of the said paragraph (a), (b) or (c), is the proportion which, according to estimates submitted to the Secretary of State after the end of June 1975 and approved by him as reasonable, the field's original reserves of oil exclusive of oil so falling bear to the field's original reserves of oil inclusive of such oil;
- (b) in the case of expenditure which would otherwise have been allowable by virtue of the said paragraph (i), is the proportion which, at the end of the claim period in which the expenditure was incurred, the total amount of oil ever won and saved from the field, exclusive of excluded oil, bears to the total amount of oil ever won and saved from the field ;

and until estimates have been submitted and approved for the purpose of paragraph (a) above, the expenditure allowable for the field under section 3 of this Act by virtue of the said paragraph (a), (b) or (c) shall be deemed to be nil.

- (4) A return made under paragraph 2 of Schedule 2 to this Act by a participator in an oil field need not, in the case of oil falling within subsection (1)(a) above, state the price received or receivable for the oil.
- (5) For the purposes of this section 40,000 cubic feet of oil consisting of gas at the temperature and pressure mentioned in section 1(4) of this Act shall be counted as equivalent to one long ton of oil other than gas.