



Oil Taxation Act 1975

1975 CHAPTER 22

PART I

PETROLEUM REVENUE TAX

[^{F1}9 ^{F2}Limit on amount of tax payable].

- (1) The tax payable by a participator in an oil field for any chargeable period to which this subsection applies shall not exceed 80 per cent. of the amount (if any) by which his adjusted profit for that period (as defined in this section) exceeds 15 per cent. of his accumulated capital expenditure at the end of that period (as so defined).

(1A) Subsection (1) above applies to—

- (a) any chargeable period from the first chargeable period up to and including the period which is the participator's net profit period for the field for the purposes of section 111 of the Finance Act 1981 or where section 113 of that Act applies, up to and including the earlier of the periods mentioned in subsection (2) of that section; and
- (b) any subsequent chargeable period up to such number of periods as is equal to half the number of chargeable periods [^{F3}which are included in paragraph (a) above and in which the amount of oil won and saved from the field exceeds 1,000 metric tonnes] (counting any resulting fraction of a period as a whole period)

[^{F4}and for the purposes of paragraph (b) above 1,100 cubic metres of gas at a temperature of 15 degrees centigrade and pressure of one atmosphere shall be counted as equivalent to one metric tonne].

- (2) The adjusted profit of a participator in an oil field for any chargeable period shall be determined as follows—

- (a) there shall be ascertained—
- (i) the assessable profit (without any reduction under section 7 or 8 of this Act) or allowable loss accruing to him in that period; and
- (ii) the total amount taken into account under section 2(9)(b), (c), (d) [^{F5}, (e) [^{F6}(f) and (g)]] of this Act in computing that profit or loss,

*Changes to legislation: There are currently no known outstanding effects
for the Oil Taxation Act 1975, Section 9. (See end of Document for details)*

- excluding expenditure so taken into account under section 2(9)(b)(i) or (c)(i) which was not allowed as qualifying for supplement under section 2(9)(b)(ii) or (c)(ii);
- (b) if there is a profit under paragraph (a)(i) above, the sum of that profit and the total ascertained under paragraph (a)(ii) above is his adjusted profit for the period;
- (c) if there is a loss under paragraph (a)(i) above smaller than the total ascertained under paragraph (a)(ii) above, the difference is his adjusted profit for the period.
- (3) The accumulated capital expenditure of a participator in an oil field at the end of any chargeable period is the total amount of expenditure taken into account under section 2(9)(b)(i) and (c)(i) of this Act in computing the assessable profit or allowable loss accruing to him in that period and all earlier chargeable periods excluding all expenditure so taken into account which was not allowed as qualifying for supplement under section 2(9)(b)(ii) or (c)(ii).

^{F7}(4)]

Textual Amendments

- F1** S. 9 substituted by [Finance Act 1981 \(c. 35\), s. 114\(1\)](#) with effect whether the participator's net profit period ends before or after the passing of that Act
- F2** Wording amended without statutory authority to reflect the sense of the revised s. 9
- F3** Words substituted by [Finance Act 1985 \(c. 54\), s. 91\(1\)](#) with respect to any oil field in respect of which the first chargeable period ends after 30 June 1985
- F4** Words added by [Finance Act 1985 \(c. 54\), s. 91\(1\)](#) with respect to any oil field in respect of which the first chargeable period ends after 30 June 1985
- F5** Words substituted by [Finance Act 1983 \(c. 49\), s. 37\(2\)](#) and Sch. 8 Part II para. 4
- F6** Words substituted by [Finance Act 1987 \(c. 16\), s. 64\(2\)](#) and Sch. 13 Part II para. 3
- F7** S. 9(4) omitted (with effect in accordance with Sch. 45 para. 1(5) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 45 para. 1\(3\)](#)

Modifications etc. (not altering text)

- C1** See [Finance Act 1980 \(c. 48\), s. 106](#) and Sch. 17 para. 18
- C2** See [Oil Taxation Act 1983 \(c. 56\), s. 7\(6\)\(b\)](#) for reduction of supplement when there are disposal receipts in any chargeable period ending after 30 June 1982
- C3** See [Finance Act 1987 \(c. 16\), ss. 64\(3\), 65\(6\)\(b\)](#), Sch. 13 para. 12(3) and Sch. 14 para. 13
- C4** See [Finance Act 1981 \(c. 35\), s. 117\(4\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Oil Taxation Act 1975, Section 9.