



# Oil Taxation Act 1975

## 1975 CHAPTER 22

### PART I

#### PETROLEUM REVENUE TAX

#### **[<sup>F1</sup>9A Operating expenditure incurred while section 9 applies.**

- (1) Subsections (2) and (3) below apply where—
  - (a) operating expenditure is incurred by a participator in an oil field during a chargeable period to which section 9(1) of this Act applies (“the relevant chargeable period”);
  - (b) a claim for the allowance of the expenditure is made under Schedule 5 or 6 for the claim period which coincides with the relevant chargeable period (“the relevant claim period”); and
  - (c) the claim is made more than four months after the end of the relevant claim period.
- (2) The Board shall not allow the expenditure except to such extent (if any) as they consider necessary to secure that the participator’s overall liability to tax is no greater than it would have been if the claim had been allowed before the Board had made an assessment to tax or a determination on or in relation to the participator in respect of the field for the relevant chargeable period.
- (3) Any amounts of oil allowance which, if the claim had been allowed before the Board had made an assessment to tax or a determination on or in relation to the participator in respect of the field for the relevant chargeable period, would not have been utilised by him in that period, or any subsequent chargeable period, shall be disregarded for the purposes of section 8(6) of this Act.
- (4) Where—
  - (a) the participator transfers the whole or part of his interest in the oil field to another person; and
  - (b) Parts II and III of Schedule 17 to the <sup>M1</sup>Finance Act 1980 apply to the transfer,

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

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subsections (2) and (3) above shall have effect as if references to the participator included references to that other person.

(5) In this section—

“acquisition”, in relation to an asset, includes acquisition of an interest in the asset;

“capital expenditure” means expenditure on the acquisition or construction of an asset which is to be used for any of the following purposes—

- (a) for ascertaining the extent or characteristics of any oil-bearing area wholly or partly included in the field, or what the reserves of oil of any such oil-bearing area are;
- (b) for winning oil from the field;
- (c) for transporting oil won from the field, whether to a place in the United Kingdom or to a place in another country; or
- (d) for the initial treatment or initial storage of oil won from the field;

“operating expenditure” means any expenditure other than capital expenditure.

(6) Where a claim period is a period of twelve months, this section shall have effect as if—

- (a) that period were two separate claim periods of six months each;
- (b) any claim for that period under Schedule 5 or 6 were two separate claims, one for each of those separate periods; and
- (c) the operating expenditure to which that claim relates were apportioned between those separate periods and those separate claims in such manner as may be just and reasonable.]

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**Textual Amendments**

**F1** S. 9A inserted (28.7.2000 with effect in relation to expenditure incurred on or after 21.3.2000) by [2000 c. 17, s. 139\(1\)\(2\)](#)

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**Marginal Citations**

**M1** 1980 c. 48.

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