



Finance Act 1981

1981 CHAPTER 35

PART I

CUSTOMS AND EXCISE

^{X1}1 **Spirits, beer, wine, made-wine and cider.**

- (1) ^{F1}
- (2) In section 36 of that Act (excise duty on beer) for “£13.05” and “£0.435” there shall be substituted “ £18.00 ” and “ £0.60 ” respectively.
- (3) ^{F1}
- (5) In section 62(1) of that Act (excise duty on cider) for “£6.05” there shall be substituted “ £7.20 ”.
- (6) This section shall be deemed to have come into force on 11th March 1981.

Editorial Information

X1 The text of ss. 1, 7, 8, 9(1)(8) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Textual Amendments

F1 S. 1(1)(3)(4) repealed by [Finance Act 1982 \(c. 39, SIF 40:1\)](#), s. 157(6), [Sch. 22 Pt. I](#)

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F2 S. 2 repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), **Sch. 22 Pt. I**

F3

.....

Textual Amendments

F3 S. 3 repealed (1.1.1993) by Finance (No. 2) Act 1992 (c. 48), s. 82, **Sch. 18 Pt.II.**

X24 Increase on duty on hydrocarbon oil etc.

- (1) In section 6(1) of the ^{M1}Hydrocarbon Oil Duties Act 1979 for the words “a duty of excise at the rate of £0.10 a litre” there shall be substituted the words “ a duty of excise at the rate of £0.1382 a litre in the case of light oil and £0.1191 a litre in the case of heavy oil ”.
- (2) In consequence of subsection (1) above—
- in sections 7 and 8(3) and (4)(c) of the said Act of 1979 and Article 3 of the ^{M2}Excise Duties (Gas as Road Fuel) Order 1972 (under which duty is charged by reference to the duty on hydrocarbon oil); and
 - in [^{F4}section 92(2) of the ^{M3}Finance Act 1965 and] section 14(2) of the ^{M4}Finance Act (Northern Ireland) 1966 (grants towards duty on bus fuel), for the words “hydrocarbon oil” there shall be substituted the words “ light oil ”.
- (3) This section shall be deemed to have come into force at 6 o’clock in the evening on 10th March 1981 but as respects the period beginning at that time and ending at 6 o’clock in the evening on 2nd July 1981 the rate of the duty of excise charged by section 6(1) of the said Act of 1979 shall, notwithstanding subsection (1) above, be £0.1382 a litre in the case of heavy oil as well as light oil and the provisions mentioned in subsection (2) above shall have effect accordingly.

Editorial Information

X2 The text of ss. 3-5, 6(2)(3), 10(2)(4) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Textual Amendments

F4 Words in s. 4(2)(b) repealed (E.W.) (1.5.2002 for E., 14.8.2002 for W.) by 2000 c. 38, s. 274, Sch. 31 Pt. II; S.I. 2002/1014, **art. 2(1)**, Sch. Pt. 1; S.I. 2002/2024, **art. 2(b)**

Marginal Citations

M1 1979 c. 5.
M2 S.I. 1972/567.
M3 1965 c. 25.
M4 1966 c. 21 (N.I.).

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

^{x3}5 Energy for refineries etc.

- (1) The Hydrocarbon Oil Duties Act 1979 shall have effect with the following amendments, being amendments providing for relief from duty where energy is produced for use in refineries and other premises used for the production of hydrocarbon oil.
- (2) After section 19 there shall be inserted—

“19A Fuel for producing energy for refineries etc.

- (1) If on an application made for the purposes of this section by an approved person it is shown to the satisfaction of the Commissioners—
 - (a) that any quantity of rebated hydrocarbon oil has been used by him, otherwise than at a refinery or other premises used for the production of hydrocarbon oil, as fuel for producing energy; and
 - (b) that not less than one-sixth or more than one-third of that energy was used in the treatment of hydrocarbon oil at a refinery or in the production of hydrocarbon oil at other premises used for the production of such oil,

the applicant shall be entitled to obtain from the Commissioners repayment of one-third of the amount of excise duty which has been paid in respect of the quantity so used less the rebate allowed in respect of the duty.

- (2) In this section “an approved person” means a person for the time being approved in accordance with regulations made for the purposes of this section under section 24(1) below.”

- (3) In section 27(1) for the definition of “refinery” there shall be substituted—

““refinery” means any premises which—

- (a) are approved by the Commissioners for the treatment of hydrocarbon oil; or
- (b) are approved by them for the production of energy for use in the treatment of hydrocarbon oil at premises approved under paragraph (a) above or in the production of hydrocarbon oil at other premises used for the production of such oil;

and the Commissioners may approve any premises under paragraph (b) above if it appears to them that more than one-third of the energy will be produced for such use as is mentioned in that paragraph; ”.

- (4) after section 27(1) there shall be inserted—

“(1A) If in the case of any premises which the Commissioners can approve under paragraph (b) of the definition of “refinery” in subsection (1) above it appears to them appropriate to do so, they may direct that the provisions of this Act (other than that definition) shall apply to them as if, instead of being a refinery, they were other premises used for the production of hydrocarbon oil.”

- (5) Subsection (2) above has effect in relation to oil used on or after 1st September 1981.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Editorial Information

- X3** The text of ss. 3-5, 6(2)(3), 10(2)(4) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

6 Repayment of hydrocarbon oil duty.

- (1) The ^{M5}Hydrocarbon Oil Duties Act 1979 shall have effect with the amendments in subsections (2) and (3) below, being amendments which enable regulations to be made with respect to applications for repayment of duty under sections 17, ^{F5} . . . , 19 and 19A of that Act.
- ^{X4}(2) In section 24(1) for the words “or section 14(1) above” there shall be substituted the words “ , section 14(1), section 17, section 18(1), 19 or section 19A above ”.
- ^{X4}(3) For paragraph 3 of Schedule 4 there shall be substituted—
- “3 Requiring claims or applications for repayment under section 9(4), 17, 18(1), 19 or 19A of this Act to be made at such times and in respect of such periods as are prescribed; providing that no such claim or application shall lie where the amount to be paid is less than the prescribed minimum; and preventing, where a claim or application can be made under section 9(4) or 19, the payment of drawback.”
- ^{X5}(4) It is hereby declared for the avoidance of doubt that references in sections 17(1), ^{F5} . . . and 19(3) of the said Act of 1979 to duty paid in respect of the oil used as mentioned in those provisions are to the duty less any rebate allowed in respect of it and accordingly those provisions shall have effect, and be deemed always to have had effect, with the insertion after the words “so used” of the words “ less any rebate allowed in respect of the duty ”.

Editorial Information

- X4** The text of ss. 3-5, 6(2)(3), 10(2)(4) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.
- X5** The text from "and accordingly" to the end of s. 6(4) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Textual Amendments

- F5** Word in s. 6(1)(4) repealed (1.11.1996) by 1996 c. 8, s. 205, **Sch. 41 Pt. I**; S.I. 1996/2536, **art. 2**

Marginal Citations

- M5** 1979 c. 5.

7 Vehicles excise duty: Great Britain.

- ^{F6}(1)

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- F7(2)
- F8(4)
- F6(5)

Textual Amendments

- F6 S. 7(1)(5) repealed (1.9.1994) by 1994 c. 22, ss. 65, 66, **Sch. 5 Pt. I** (with s. 57(4))
- F7 S. 7(2)(3) repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), **Sch. 22 Pt. II**
- F8 S. 7(4) repealed (*retrospectively*) by Finance Act 1985 (c. 54, SIF 40:1), s. 98(6), **Sch. 27 Pt. II**

F9 8

Textual Amendments

- F9 S. 8 repealed (1.10.1991) by Finance Act 1991 (c. 31, SIF 107:2), ss. 10, 123, **Sch. 19, Pt.IV; S.I. 1991/2021, art.2.**

9 Betting and gaming duties.

^{X6}(1) In section 1(2)(b) of the ^{M6}Betting and Gaming Duties Act 1972 and section 17(1)(b) of the ^{M7}Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 (general betting duty on bets other than on-course bets) for the words “7½ percent.” there shall be substituted the words “8 per cent.”.

- F10(2)
- F11(6)
- F12(7)

^{X6}(8) Subsection (1) above shall be deemed to have come into force on 12th July 1981, . . .
^{F13} and (6) above shall come into force on 1st October 1981.

Editorial Information

- X6 The text of ss. 1, 7, 8, 9(1)(8) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Textual Amendments

- F10 S. 9(2)–(5) repealed by Betting and Gaming Duties Act 1981 (c. 63, SIF 12:2), s. 34(2), **Sch. 7**
- F11 S. 9(6) repealed by Finance Act 1982 (c. 39, SIF 12:2), s. 157(6), **Sch. 22 Pt. III**
- F12 S. 9(7) repealed by Betting and Gaming Duties Act 1981 (c. 63, SIF 12:2), s. 34(2), **Sch. 7**
- F13 Words repealed by Betting and Gaming Duties Act 1981 (c. 63, SIF 12:2), s. 34(2), **Sch. 7**

Marginal Citations

- M6 1972 c. 25.
- M7 1972 c. 11 (N.I.).

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

10 Import and export procedures.

- (1) The ^{M8}Customs and Excise Management Act 1979 shall have effect with the amendments specified in Schedule 6 to this Act, being amendments relating to the control of importation.
- ^{X7}(2) For sections 53 to 58 of that Act (which relate to the control of exportation) there shall be substituted the sections set out in Part I of Schedule 7 to this Act ; and the provisions of that Act mentioned in Part II of that Schedule (which also relate to that matter) shall have effect with the amendments there specified.
- (3) Subsection (1) above shall come into force on such day as may be appointed by the Commissioners of Customs and Excise by order made by statutory instrument and different days may be appointed in relation to different paragraphs of the Schedule mentioned in that subsection.
- ^{X7}(4) Subsection (2) above does not affect the operation of the said Act of 1979 in relation to goods exported before 1st October 1981.

Editorial Information

X7 The text of ss. 3-5, 6(2)(3), 10(2)(4) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Modifications etc. (not altering text)

C1 Power of appointment conferred by section 10(3) fully exercised by [S.I. 1982/205](#). Appointed day 1.4.1982

Marginal Citations

M8 [1979 c. 2](#).

11 Miscellaneous customs and excise amendments.

- (1) The enactments mentioned in Schedule 8 to this Act (which relate among other things to the administration and regulation of alcoholic liquor duties, warehousing and excise licences) shall have effect with the amendments there specified.
- (2) The following provisions of that Schedule shall come into force on 1st July 1982, namely—
- (a) paragraph 5, so far as it affects section 105 of the ^{M9}Customs and Excise Management Act 1979;
 - (b) paragraph 20, in so far as it affects sections 65(1) to (7), 70, 86(1)(a) and (2) and 89 of the ^{M10}Alcoholic Liquor Duties Act 1979; and
 - (c) paragraphs 24 to 28.
- (3) Section 16 of the ^{M11}Customs Duties (Dumping and Subsidies) Act 1969 (which requires the Secretary of State to lay before Parliament for each financial year a report on the anti-dumping and countervailing duties in force under that Act) shall not apply to any financial year ending after 31st March 1981.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Marginal Citations

M9 1979 c. 2.

M10 1979 c. 4.

M11 1969 c. 16.

PART II

12— ^{F14}
15.

Textual Amendments

F14 Ss. 12–15 repealed by Value Added Tax Act 1983 (c. 55), s. 50(2), **Sch. 11**

PART III

16— ^{F15}
18.

Textual Amendments

F15 Ss. 16–18 repealed by Car Tax Act 1983 (c. 53), s. 10(4), **Sch. 3**

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

19— ^{F16}
37.

Textual Amendments

F16 Ss. 19–37 repealed by Income and Corporation Taxes Act 1988 (c. 1), s. 844, **Sch. 31**. See 1987 edition for these provisions.

38 ^{F17}(1)
^{F18}(3)

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F18(4)

Textual Amendments

- F17 S. 38(1)(2) repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#)
- F18 S. 38(3)(4) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch.12 \(with ss. 201\(3\), Sch. 11 paras. 20, 22, 26\(2\), 27\)](#)

39— F19
51.

Textual Amendments

- F19 Ss. 39–51 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#)

CHAPTER II

RELIEF FOR INVESTMENTS IN NEW CORPORATE TRADES

52— F20
67.

Textual Amendments

- F20 Ss. 52–67 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#)

CHAPTER III

BENEFITS IN KIND

68— F21
72.

Textual Amendments

- F21 Ss. 68–72 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#). See 1987 edition for these provisions.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

CHAPTER IV

CAPITAL ALLOWANCES

73— ^{F22}
77.

Textual Amendments

F22 Ss. 73–77 repealed by [Capital Allowances Act 1990 \(c. 1\)](#), s. 164(4)(5), [Sch. 2](#). See 1989 edition for these provisions.

CHAPTER V

CAPITAL GAINS

[^{F23}**78** (1) ^{F24}
(2) In subsection (3)(a) of [^{F25}section 79 of the Finance Act 1980] for the words “section 19(3)” there shall be substituted the words “any provision”.
(3) ^{F26}
(4) This section applies to disposals after 5th april 1981.]

Textual Amendments

- F23** S. 78 repealed by [Finance Act 1989 \(c. 26\)](#), s. 187, [Sch. 17 Pt. VII](#) in relation to disposals on or after 14 March 1989 (except where relief given under s. 79 of the Finance Act 1980 in respect of a disposal before that date).
- F24** S. 78(1) repealed by [Finance Act 1982 \(c. 39\)](#), ss. 82(4), 157, [Sch. 22 Pt. VI](#) in relation to disposals on or after 6 April 1982.
- F25** Words substituted by [Finance Act 1982 \(c. 39\)](#), [ss. 82\(4\)](#) in relation to disposals on or after 6 April 1982.
- F26** S. 78(3) repealed by [Finance Act 1982 \(c. 39\)](#), ss. 82(4), 157, [Sch. 22 Pt. VI](#) in relation to disposals on or after 6 April 1982.

^{F27}**79**

Textual Amendments

F27 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

^{F28}**80**

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F28 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

F29 **80A**

Textual Amendments

F29 S. 80A (which was inserted by [Finance Act 1991 \(c. 31\)](#), s. 91, **Sch. 18 para. 2**) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

F30 **81**

Textual Amendments

F30 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

F31 **82**

Textual Amendments

F31 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

F32 **82A**

Textual Amendments

F32 S. 82A (which was inserted by [Finance Act 1991 \(c. 31\)](#), s. 91, **Sch. 18 para. 4**) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

F33 **83**

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

.....
Textual Amendments

F33 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F34 **84**

.....
Textual Amendments

F34 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F35 **85**

.....
Textual Amendments

F35 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F36 **86**

.....
Textual Amendments

F36 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F37 **87**

.....
Textual Amendments

F37 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F38 **88**

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F38 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F39⁸⁹

Textual Amendments

F39 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F40⁹⁰

Textual Amendments

F40 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

F41⁹¹

Textual Amendments

F41 Ss. 79-91 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).

PART V

CAPITAL TRANSFER TAX

92— **F42**
95.

Textual Amendments

F42 Ss. 92-95 repealed by [Capital Transfer Tax Act 1984 \(c. 51\)](#), ss. 274, 277, [Schs. 7, 9](#)

96 (1) **F43**

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (3) F44
- (e) F44
- (4) F45

Textual Amendments

- F43** S. 96(1)(2) repealed by Capital Transfer Tax Act 1984 (c. 51), ss. 274, 277, Schs. 7, 9
- F44** S. 96(3)(e) repealed by Finance Act 1989 (c. 26, SIF 63:2), s. 187(1), Sch. 17 Pt. VII Note 7
- F45** S. 96(4) repealed by Finance Act 1989 (c. 26, SIF 63:2), s. 187(1), Sch. 17 Pt. VII Note 7

- 97— F46
- 106.

Textual Amendments

- F46** Ss. 97–106 repealed by Capital Transfer Tax Act 1984 (c. 51), ss. 274, 277, Schs. 7, 9

PART VI

STAMP DUTY

107 Sale of houses at discount by local authorities etc.

- (1) Where a conveyance or transfer to which this section applies is subject contingently to the payment of any money (whether by virtue of that conveyance or transfer or otherwise), then, notwithstanding section 57 of the ^{M12}Stamp Act 1891, that money shall not be deemed to be part of the consideration in respect of which the conveyance or transfer is chargeable with ad valorem duty.
- (2) F47
- (3) This section applies to any conveyance or transfer on sale of a dwelling-house (including the grant of a lease) at a discount by—
 - (a) any Minister of the Crown or Northern Ireland department;
 - (b) a [^{F48}local housing authority within the meaning of the Housing Act 1985], a county council, a district council within the meaning of the ^{M13}Local Government Act (Northern Ireland) 1972 or in Scotland a [^{F49}council constituted under section 2 of the Local Government etc. (Scotland) Act 1994], the common good of such a council or any trust under its control;
 - (c) the Housing Corporation;
 - ^{F50}(ca)
 - (d) the [^{F51}Scottish Homes];
 - (e) the Northern Ireland Housing Executive;
 - ^{F52}(ea) a registered social landlord within the meaning of Part I of the Housing Act 1996;]
 - (f) a housing association [^{F53}registered—;
 - (i) in Scotland, under the Housing Associations Act 1985, or

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (ii) in Northern Ireland, under Part II of the Housing (Northern Ireland) Order 1992;]
- [^{F54}(ff) a housing action trust established under Part III of the Housing Act 1988;]
- (g) a development corporation established by an order made or having effect as if made under the ^{M14}New Towns Act 1965 or the ^{M15}New Towns (Scotland) Act 1968 or an urban development corporation established by an order made under section 135 of the ^{M16}Local Government, Planning and Land Act 1980;
- (h) the Commission for the New Towns or a new town commission established under section 7 of the ^{M17}New Towns Act (Northern Ireland) 1965;
- ^{F55}(i)
- (j) the Council of the Isles of Scilly;
- (k) a [^{F56}local policing body] within the meaning of [^{F57}section 101(1) of the Police Act [^{F58}1996,]] [^{F59}the Scottish Police Authority] , or [^{F60}the Northern Ireland Policing Board];
- (ka) ^{F61}
- (l) an Education and Libraries Board established under the ^{M18}Education and Libraries (Northern Ireland) Order 1972;
- (m) any person mentioned in paragraph (e), (i), (j) or (l) of section 1(10) of the ^{M19}Tenants' Rights, Etc. (Scotland) Act 1980.
- [^{F62}(n) the United Kingdom Atomic Energy Authority]
- [^{F63}(o) such other body as the Treasury may, by order made by statutory instrument, prescribe for the purposes of this section]
- [^{F64}(3A) This section also applies to any conveyance or transfer on sale of a dwelling house where the conveyance or transfer is made pursuant to a sub-sale made at a discount by a body falling within [^{F65}subsection (3)(ea) or (f)]above.]
- [^{F66}(3B) This section also applies to a conveyance or transfer on sale (including the grant of a lease) by a person against whom the right to buy under Part V of the Housing Act 1985 is exercisable by virtue of section 171A of that Act (preservation of right to buy on disposal to private sector landlord) to a person who is the qualifying person for the purposes of the preserved right to buy and in relation to whom that dwelling-house is the qualifying dwelling-house.]
- ^{F67}(3C)
- (4) This section applies to instruments executed on or after 23rd March 1981 and shall be deemed to have come into force on that date.

Textual Amendments

- F47** S. 107(2) repealed by [Finance Act 1985 \(c. 54, SIF 114\)](#), s. 98(6), **Sch. 27 Pt. IX(1)**
- F48** Words substituted by [Housing \(Consequential Provisions\) Act 1985 \(c. 71, SIF 61\)](#), s. 4, **Sch. 2 para. 48(a)**
- F49** Words in s. 107(3)(b) substituted (1.4.1996) by [1994 c. 39, s. 180\(1\)](#), **Sch. 13 para. 123**; S.I. [1996/323, art. 4\(c\)](#)
- F50** S. 107(3)(ca) repealed (1.11.1998) by [1998 c. 38, s. 152](#), **Sch. 18 Pt. VI** (with ss. 137(1), 139(2), [141\(1\)](#)); S.I. [1998/2244, art. 5](#)
- F51** Reference to Scottish Homes substituted (E.W.S.) for the reference to Scottish Special Housing Association by [Housing \(Scotland\) Act \(c. 43, SIF 61\)](#), Ss. 1, 3 Sch. 2 para. 1
- F52** S. 107(3)(ea) inserted (1.10.1996) by [1996 c. 52, s. 55](#), **Sch. 3 para. 1(2)**; S.I. [1996/2402, art. 3](#)

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- F53** Word and s. 107(3)(f)(i)(ii) substituted for words in s. 107(3)(f) (1.10.1996) by 1996 c. 52, s. 55, **Sch. 3 para. 1(3)**; S.I. 1996/2402, **art. 3**
- F54** S. 107(3)(ff) inserted by Finance Act 1988 (c. 39, SIF 114), **s. 142(2)**
- F55** S. 107(3)(i) repealed (1.10.1998) by 1998 c. 38, s. 152, **Sch. 18 Pt. IV** (with ss. 137(1), 139(2), 141(1)); S.I. 1998/2244, **art. 4**
- F56** Words in s. 107(3)(k) substituted (16.1.2012) by Police Reform and Social Responsibility Act 2011 (c. 13), s. 157(1), **Sch. 16 para. 145(a)**; S.I. 2011/3019, art. 3, Sch. 1
- F57** Words in s. 107(3)(k) substituted (22.8.1996) by 1996 c. 16, ss. 103, 104, **Sch. 7 Pt. II para. 33**
- F58** Words in s. 107(3)(k) substituted (16.1.2012) by Police Reform and Social Responsibility Act 2011 (c. 13), s. 157(1), **Sch. 16 para. 145(b)**; S.I. 2011/3019, art. 3, Sch. 1
- F59** Words in s. 107(3)(k) substituted (1.4.2013) by The Police and Fire Reform (Scotland) Act 2012 (Consequential Provisions and Modifications) Order 2013 (S.I. 2013/602), art. 1(2), **Sch. 2 para. 16**
- F60** Words in s. 107(3)(k) substituted (4.11.2001) by 2000 c. 32, s. 74, **Sch. 6 para. 7**; S.R. 2001/396, art. 2, **Sch.**
- F61** S. 107(3)(ka) repealed (1.4.2002) by 2001 c. 16, ss. 128, 137, Sch. 6 Pt. III para. 64, Sch. 7 Pt. 5(1); S.I. 2002/344, **art. 3** (with art. 4)
- F62** S. 107(3)(n) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(1)(2)(4)**
- F63** S. 107(3)(o) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(5)**
- F64** S. 107(3A) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(1)(3)(4)**
- F65** Words in s. 107(3A) substituted (1.10.1996) by 1996 c. 52, s. 55, **Sch. 3 para. 1(4)**; S.I. 1996/2402, **art. 3**
- F66** S. 107(3B) inserted (17.8.1992) by Housing and Planning Act 1986 (c. 63, SIF 114), s. 24(1)(2), **Sch. 5 Pt. II para. 18**; S.I. 1992/1753, **art. 2(2)**.
- F67** S. 107(3C) omitted (E.W.) (26.1.2019) by virtue of Abolition of the Right to Buy and Associated Rights (Wales) Act 2018 (anaw 1), s. 11(3)(4), **Sch. 1 para. 1(2)**; S.I. 2018/100, art. 2(b) (with art. 3) (with savings in S.I. 2019/110, reg. 5)

Modifications etc. (not altering text)

- C2** S. 107 applied by S.I. 1986/2092, **art. 12**

Marginal Citations

- M12** 1891 c. 39.
- M13** 1972 c. 9 (N.I.)
- M14** 1965 c. 59.
- M15** 1968 c. 16.
- M16** 1980 c. 65.
- M17** 1965 c. 13. (N.I.)
- M18** S.I. 1972/1263 (N.I. 12).
- M19** 1980 c. 52.

^{F68} 108 Shared ownership transactions.

.....

Textual Amendments

- F68** S. 108 repealed (with effect in accordance with Sch. 39 para. 10(1) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 3(1)(b)** (with Sch. 39 paras. 11-13)

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F69 S. 109 repealed by Finance Act 1986 (c. 41, SIF 40:1), s. 114, **Sch. 23 Pt. IX(2)**

F70 **110**

Textual Amendments

F70 S. 110 repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. V(5) notes 1, 2 of the amending Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. V(5)**

PART VII

PETROLEUM REVENUE TAX

111 Restriction of expenditure supplement.

- (1) Expenditure taken into account under section 2(9) (b)(i) or (c)(i) of the ^{M20}Oil Taxation Act 1975 (“the principal Act”) in computing the assessable profit or allowable loss accruing to a participator in a chargeable period from an oil field shall not qualify for supplement under section 2(9)(b)(ii) or (c)(ii) of that Act if it is incurred after the end of the chargeable period (“the net profit period”) [^{F71}which is the earliest chargeable period ending after a development decision has been made for the field in which—
- (a) the amount of oil won and saved from the field exceeds 1,000 metric tonnes (counting 1,100 cubic metres of gas at a temperature of 15 degrees centigrade and pressure of one atmosphere as equivalent to one metric tonne); and
 - (b) a net profit from the field accrues to the participator;
- and subsection (7) of section 5A of the principal Act (time when development decision is made) shall apply for the purposes of this subsection as it applies for the purposes of subsection (1)(c) of that section.]
- (2) Subject to subsections (3) and (4) below, a net profit shall be treated as having accrued to a participator from an oil field in a chargeable period when the total assessable profits (without any reduction under section 7 or 8 of the principal Act) that have accrued to him from the field in chargeable periods up to and including that period [^{F72}exceed the aggregate of the total allowable losses that have so accrued to him and the total amount of advance petroleum revenue tax paid by him in respect of that field for chargeable periods up to and including that period].
- [^{F73}(2A) For the purposes of subsection (2) above the total amount of advance petroleum revenue tax paid by the participator does not include any amount of that tax repaid to him before the end of the chargeable period first referred to in that subsection or any amount of that tax subsequently repaid to him under section 142(1) of the Finance Act 1982 or under paragraph 9 of Schedule 19 to that Act.]
- (3) In determining for the purposes of subsection (2) above whether any, and if so what, assessable profit or allowable loss has accrued to a participator from an oil field in a chargeable period—

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) there shall be excluded from its computation any expenditure allowed under Schedule 7 and any loss allowed under Schedule 8 to the principal Act [^{F74}(abortive exploration expenditure [^{F75}exploration and appraisal expenditure] and unrelievable field losses);]
 - (b) any election under paragraph 9(1) of Schedule 3 to that Act (spreading of allowable expenditure) shall be disregarded; and
 - (c) in the case of the last chargeable period taken into account in deciding what is the net profit period there shall be included in that computation any amount which, by reason of an adjustment under section 4(9) of that Act (long-term assets) for a claim period ending not later than that period, will fall to be taken into account under paragraph 6 of Schedule 4 to that Act for the next chargeable period [^{F76}and
 - (d) if any qualifying tariff receipts, within the meaning of section 9 of the Oil Taxation Act 1983, are received or receivable by the participator for that period, any amount by which those receipts are treated as reduced by virtue of that section shall be brought into account in that computation as an addition to the positive amounts referred to in section 2(3)(a) of the principal Act].
- (4) A net profit shall not by virtue of subsection (2) above be treated as having accrued to a participator from an oil field in a chargeable period if—
- (a) after an assessment or determination has been made in respect of that period under paragraph 10 of Schedule 2 to the principal Act any expenditure incurred before the end period is allowed on a claim under Schedule 5 or Schedule 6 to that Act; and
 - (b) a net profit would not have accrued to the participator from the field in that period if that expenditure (or, as respects expenditure allowed under Schedule 5, his share of it) had been taken into account in the assessment or determination together with any amount falling to be taken into account under section 2(9)(b)(ii) or (c)(ii) of the principal Act by reference to (or, as the case may be, to his share of) that expenditure.
- (5) The expenditure referred to in subsection (4) above does not include expenditure allowed for any claim period beginning after the chargeable period in respect of which the assessment or determination was made.
- (6) In the following provisions, that is to say—
- (a) paragraphs 2(4)(a) and 3(1)(b) of Schedule 5 to the principal Act (claims for and determination of expenditure qualifying for supplement), including those paragraphs as applied by Schedule 6 to that Act;
 - (b) paragraph 2(4)(b) of the Schedule to the ^{M21}Petroleum Revenue Tax Act 1980 (computation of payment on account),
- references to expenditure qualifying for supplement shall include references to expenditure that would so qualify apart from this section; but the responsible person need not make a claim under paragraph 2(4)(a) of the said Schedule 5 if it appears to him that none of the expenditure is likely to qualify because of this section.
- (7) This section applies whether the net profit period ends before or after the passing of this Act but subsection (1) above shall not disqualify any expenditure which was incurred before 1st January 1981 or which is incurred before 1st January 1983 in pursuance of a contract entered into before 1st January 1981.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F71** Words substituted by [Finance Act 1985 \(c. 54\), s. 91\(3\)](#) with respect to chargeable periods ending after 30 June 1985. Previously “in which a net profit from the field first accrues to the participator.”
- F72** Words substituted by [Finance Act 1982 \(c. 39\), s. 139\(6\), Sch. 19 para. 16\(2\)](#). Previously “exceed the total allowable losses that have so accrued to him”
- F73** [S. 111\(2A\)](#) substituted by [Finance Act 1982 \(c. 39\), s. 139\(6\), Sch. 19 para. 16\(2\)](#). Previously “exceed the total allowable losses that have so accrued to him”
- F74** Words repealed by [Finance Act 1987 \(c. 16\), ss. 64\(2\), 72\(7\), Sch. 13 Pt. II para. 8, Sch. 16 Pt. X](#)
- F75** Words added by [Finance Act 1983 \(c. 28\), s. 37\(2\), Sch. 8 Pt. II para. 9](#)
- F76** Word “and” and [s. 111\(3\)\(d\)](#) inserted by [Oil Taxation Act 1983 \(c. 56\), s. 9\(8\)](#)—to have effect with respect to chargeable periods ending after 1 July 1982

Modifications etc. (not altering text)

- C3** See [1987 s. 65\(4\)\(c\)](#)—exclusion of coss-field allowance in determining assessable profit or allowable loss for [s. 111\(2\)](#)
- C4** See [s. 117\(4\)](#), post—includes an election under [1981 s. 117](#)
- C5** See [Oil Taxation Act 1983 \(c. 56\), Sch. 1 para. 2\(4\)](#) where expenditure incurred in respect of a remote associated asset

Marginal Citations

- M20** [1975 c. 22.](#)
- M21** [1980 c. 1.](#)

112 Restriction of expenditure supplement: transfers of interest.

- (1) Section 111 above shall have effect in accordance with this section where a participator in an oil field has acquired the whole or part of his interest in the field as a result of one or more transfers to him within the meaning of Schedule 17 to the ^{M22}Finance Act 1980, and in this section “the new participator and the “the old participator” mean respectively the first-mentioned participator and any participator from whom he has acquired the whole or part of his interest.
- (2) The new participator’s net profit period shall be whichever is the earlier of—
 - (a) his own net profit period as determined in accordance with section 111 above and subsections (3) and (4) below; or
 - (b) subject to subsection (5) below, the chargeable period which is the net profit period of the old participator or, if there are two or more old participators, of whichever of them has the earliest net profit period.
- (3) Where the old participator has transferred the whole of his interest in the field to the new participator, the net profit period of the new participator shall be determined by treating as if they were his the total assessable profits and allowable losses of the old participator as determined for the purposes of section 111 above.
- (4) Where the old participator has transferred part of his interest in the field to the new participator, the net profit period of the old and new participators shall be determined by treating as if they were the new participator’s and not the old participator’s such part of the total assessable profits and allowable losses of the old participator (as determined for the purposes of section 111 above) as may be just and reasonable.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F77}(4A) Subsections (2) and (2A) of section 111 shall have effect as if references to the amount of advance petroleum revenue tax paid by the new participator or repaid to him included references to the amount of that tax paid by or repaid to the old participator or, where the old participator has transferred part of his interest, such part of that amount as is just and reasonable.]

(5) The net profit period of an old participator shall not be taken into account under subsection (2)(b) above if the new participator's own net profit period, as determined without reference under subsection (3) or (4) above to the old participator's assessable profits or allowable losses, fell before the chargeable period in which the new participator acquired the whole or part of the old participator's interest.

Textual Amendments

F77 S. 112(4A) inserted by Finance Act 1982 (c. 39), s. 139(6), Sch. 19 para. 16(3)

Marginal Citations

M22 1980 c. 48.

113 Restriction of expenditure supplement: loss following net profit period.

[^{F78}(1) This section has effect where the aggregate of—

- (a) the total allowable losses that have accrued to a participator from an oil field in chargeable periods up to and including a chargeable period ending not more than three years after his net profit period, and
- (b) the amount of advance petroleum revenue tax paid by him in respect of that field for those periods less any such tax repaid to him before the end of those periods or repaid subsequently under section 142(1) of the Finance Act 1982 or paragraph 9 of Schedule 19 to that Act,

exceeds the total assessable profits (without any reduction under section 7 or 8 of the principal Act) that have so accrued to him.]

(2) Section 111(1) above shall not disqualify for supplement under section 2(9)(b)(ii) or (c)(ii) of the principal Act expenditure which is incurred up to the end of—

- (a) the last chargeable period in the three years mentioned in subsection (1) above; or
- (b) the chargeable period in which a net profit next accrues to the participator from the field after the chargeable period mentioned in that subsection,

whichever is the earlier.

(3) Subsection (3) of section 111 above shall apply for the purposes of subsection (1) above as it applies for the purposes of subsection (2) of that section and subsections (3), (4) and (5) of that section shall apply for the purposes of subsection (2)(b) above as they apply for the purposes of subsection (2) of that section.

Textual Amendments

F78 S. 113(1) substituted by Finance Act 1982 (c. 39), s. 139(6), Sch. 19 para. 16(4). Previously “(1) This section has effect where the total allowable losses that have accrued to a participator from an oil field in chargeable periods up to and including a chargeable period ending not more than three years after

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

his net profit period exceed the total assessable profits (without any reduction under section 7 or 8 of the principal Act) that have so accrued to him.”

^{x8}114 Restriction of limit on amount of tax payable.

(1) For section 9 of the principal Act (annual limit on amount of tax payable by participator) there shall be substituted—

(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 included in paragraph (a) above (counting any resulting fraction of a period as a whole period).

(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) and (e) of this Act in computing that profit or loss, 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).

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (4) Where a participator has made an election under paragraph 9(1) of Schedule 3 to this Act the amount of any reduction by virtue of this section in the tax payable by him for any chargeable period shall not be greater than it would have been if he had not made any such election and for the purposes of subsection (3) above his accumulated capital expenditure at the end of any chargeable period shall be taken to be what it would have been if he had made no such election.”
- (2) In consequence of subsection (1) above, Schedule 17 to the ^{M23}Finance Act 1980 (transfers of interests in oil fields) shall be amended as follows—
- (a) in paragraph 1(3) for the words from “the transfer period” onwards there shall be substituted the words “ “the transfer period” means the chargeable period in which the transfer takes place ”;
 - (b) in paragraph 8(1) for the words from “the last calendar year” onwards there shall be substituted “ the last chargeable period before the transfer period ”;
 - (c) in paragraph 8(2) for the words “year” (in both places) and “calendar years” there shall be substituted respectively the words “ period ” and “ chargeable periods ”;
 - (d) in paragraph 18 for the word “year”, wherever it occurs, there shall be substituted the word “ period ”.
- (3) This section applies whether the net profit period ends before or after the passing of this Act.

Editorial Information

X8 The text of part of ss. 89, 90, 91, 114, 116, 119 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

M23 1980 c. 48.

115 Contracts with deferred payment.

- (1) Expenditure incurred in pursuance of a contract to which this section applies shall not qualify for supplement under section 2(9)(b)(ii) or (c)(ii) of the principal Act.
- (2) This section applies to any contract which is entered into after 1st July 1980 unless—
- (a) the amount required to be paid under it by the person incurring the expenditure is less than £10 million; or
 - (b) it is reasonable to expect, at the time when the contract is entered into—
 - (i) that not less than 90 per cent. of that amount be paid within nine months of the date on which the other party begins to perform the contract; or
 - (ii) that a payment or payments in respect of that amount will be made which comply with subsection (3) below;
- and for the purposes of paragraph (a) above there may be disregarded any provision of the contract allowing for variations in the amount payable to take account of changes in costs or design.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (3) The payment or payments referred to in subsection (2)(b)(ii) above must be such that the amount to be paid up to any time after the date on which the other party to the contract begins to perform it is equal to not less than 75 per cent. of the amount that would have become payable up to that time if—
- (a) the payments required to be made under the contract were such that the first of them was payable within six months after that date and each subsequent one within six months after the previous one; and
 - (b) the first of the payments were required to be of an amount proportionate to the extent to which the contract has been performed by that party since that date and each subsequent one to be of an amount proportionate to the extent to which the contract has been so performed since the previous payment was required to be made.
- (4) Where a contract requires a payment in respect of any period or in respect of the completion of any stage in the performance of the contract to be made within three months after the end of that period or within three months after the completion of that stage the amount to be paid up to any time shall be determined for the purposes of subsection (3) above as if the payment were required to be made at the end of that period or on completion of that stage.
- (5) Where a contract provides for payments in respect of the completion of stages in the performance of separate parts of the work specified in the contract, the payments under the contract shall be treated as complying with subsection (3) above if the payments attributable to each part of the contract would have complied with that subsection if that part had been the subject of a separate contract.

^{x9}116 Spreading of capital expenditure.

- (1) For paragraph 9 of Schedule 3 to the principal Act (spreading of capital expenditure) there shall be substituted—
- “9 (1) A participator in an oil field may by notice in writing to the Board elect—
- (a) that the relief for supplemented expenditure to be taken into account in computing the assessable profit or allowable loss accruing to him from the field in the chargeable period specified in the notice shall not exceed such amount as is so specified; and
 - (b) that any excess shall be dealt with in accordance with the following provisions of this paragraph.
- (2) Subject to sub-paragraphs (3) and (4) below, one-twentieth of any excess of the relief over the amount specified for the chargeable period in question shall be taken into account in computing the assessable profit or allowable loss accruing to the participator from the field in each of the next twenty chargeable periods.
- (3) A participator may, in the first notice given by him under sub-paragraph (1) above in respect of a field, elect that sub-paragraph (2) above shall have effect in relation to that and any subsequent notice given by him in respect of that field with the substitution for the denominator of the fraction and the number of chargeable periods of such number, being three, five, ten or fifteen, as is specified in the election.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (4) A participator may by a notice in writing given to the Board and applying to any of the chargeable periods referred to in sub-paragraph (2) above before the last elect that so much of the excess as has not been taken into account in a previous chargeable period shall be taken into account in the period specified in the notice instead of partly in that period and partly in the subsequent periods.
 - (5) Any notice under this paragraph shall be in such form as the Board may prescribe and shall be given within three months after the end of the chargeable period to which it relates or, if later, twenty-seven months after the end of the first chargeable period of the field.
 - (6) Any tax charged or repayable in respect of the first four chargeable periods of an oil field in consequence of an election under this paragraph shall not carry interest under paragraph 15 or 16 of Schedule 2 to this Act in respect of any period before the date of the election.
 - (7) In this paragraph “relief for supplemental expenditure” means the amount attributable to expenditure qualifying for supplement under paragraph (b) (ii) or (c)(ii) of section 2(9) of this Act which would, apart from any election under this paragraph, fall to be taken into account under paragraph (b) or (c) of section 2(9) in computing the assessable profit or allowable loss accruing to the participator from the field in the chargeable period in question; and the reference in this sub-paragraph to the amount attributable to expenditure qualifying for supplement as aforesaid includes the amount attributable to the expenditure itself as well as to the amount calculated by reference to it under the said paragraph (b) (ii) or (c)(ii).”
- (2) For paragraph 10 of Schedule 3 to the principal Act there shall be substituted—
- “10 Where a participator has made an election under paragraph 9(1) above the reduction to be made in his case under section 8(1) of this Act for any chargeable period (whether or not that to which the election relates) shall not be greater than it would have been if he had made no such election.”
- (3) This section has effect in relation to any chargeable period ending after 31st December 1979.

Editorial Information

- X9** The text of part of ss. 89, 90, 91, 114, 116, 119 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

117 Spreading of capital expenditure: transitional provisions.

- (1) Where allowable losses have accrued to a participator from an oil field in chargeable periods ending before 1st January 1980 he may by notice in writing given to the Board elect that so much of those losses as would, apart from this section, be available for set off under section 7 of the principal Act against assessable profits accruing to him from the field in chargeable periods beginning on or after that date shall instead be treated as

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

an amount of relief for supplemented expenditure which, subject to any election under paragraph 9 of Schedule 3 to that Act, falls to be taken into account in computing the assessable profit or allowable loss accruing to him from the field in the chargeable period ending on 30th June 1980.

- (2) The amount to which an election under this section applies shall not exceed the total amount of relief for supplemented expenditure taken into account in computing the assessable profits or allowable losses accruing to the participator in chargeable periods ending before 1st January 1980.
- (3) Any notice under this section shall be in such form as the Board may prescribe and shall be given before 1st April 1982; and—
 - (a) any notice under paragraph 9 of Schedule 3 to the principal Act in respect of a chargeable period ending before that date shall not be out of time if given before that date;
 - (b) any tax charged or repayable in respect of any such chargeable period in consequence of an election under that paragraph shall not carry interest under paragraph 15 or 16 of Schedule 2 to that Act in respect of any period before the date of the election.
- (4) In section 111(3)(b) above and in section 9(4) of, and paragraph 10 of Schedule 3 to, the principal Act references to an election under paragraph 9(1) of that Schedule shall include references to an election under this section.
- (5) This section shall be construed as one with Part I of the principal Act and paragraph 9(7) of Schedule 3 to that Act shall apply for the interpretation of subsections (1) and (2) above.

118 Licence payments other than royalties.

- (1) For the purpose of computing under section 2 of the principal Act the assessable profit or allowable loss accruing to a participator in any chargeable period from an oil field—
 - (a) there shall be included as a positive amount any chargeable sum paid to the participator in the period by the Secretary of State [^{F79}or the OGA] ; and
 - (b) there shall be included as a negative amount any allowable sum paid by the participator in the period to the [^{F80}OGA] .
- (2) In this section “chargeable sum” and “allowable sum” mean any sum which after 31st December 1980 is paid to a participator by the Secretary of State [^{F81}or the OGA] or, as the case may be, by the participator to the [^{F82}OGA] by reference to a relevant licence except—
 - (a) any sum falling to be taken into account under section 2(6) of the principal Act (licence debit or credit) or section 3(1)(b) of that Act (payment under or for the purpose of obtaining a relevant licence);
 - (b) any sum consisting of interest on a sum payable to or by the [^{F83}OGA] ;
 - (c) any repayment by the Secretary of State under [^{F84}section 6(1) of the Petroleum Act 1998] (repayment of royalty for facilitating or maintaining the development of United Kingdom petroleum resources); and
 - (d) any payment or repayment of royalty in respect of excluded oil (as defined in section 10 of the principal Act) and any other payment attributable to such oil.
- (3) Where the relevant licence by reference to which a chargeable sum or allowable sum is paid relates to a licensed area comprising the whole or part of two or more oil fields,

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

that sum shall for the purposes of this section be apportioned between all or any of those fields, or attributed wholly to one of them, as may be just and reasonable.

- (4) A return under paragraph 2 of Schedule 2 to the principal Act shall include a statement of the chargeable sums and allowable sums, if any, paid to or by the participator in the chargeable period to which the return relates.
- (5) In considering for the purposes of paragraph 8(1) of Schedule 3 to the principal Act (subsidised expenditure) how far any expenditure has been or is to be met directly or indirectly by the Crown or by any authority or person other than the person incurring the expenditure, any chargeable sum shall be left out of account.
- (6) This section shall be construed as one with Part I of the principal Act.

Textual Amendments

- F79** Words in s. 118(1)(a) inserted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\)](#), regs. 1(2), **5(2)(a)**
- F80** Word in s. 118(1)(b) substituted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\)](#), regs. 1(2), **5(2)(b)**
- F81** Words in s. 118(2) inserted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\)](#), regs. 1(2), **5(3)(a)**
- F82** Word in s. 118(2) substituted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\)](#), regs. 1(2), **5(3)(b)**
- F83** Word in s. 118(2)(b) substituted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\)](#), regs. 1(2), **5(3)(c)**
- F84** Words in s. 118(2)(c) substituted (15.2.1999) by 1998 c. 17, s. 50, **Sch. 4 para. 16** (with Sch. 3 para. 5(1)); S.I. 1999/161, **art. 2(1)**

^{X10}119 **Transportation costs for off-shore oil.**

- (1) In section 3(4)(c) of the principal Act (buildings and structures eligible for expenditure relief) after paragraph (iii) there shall be inserted—
 - “(iv) a building or structure used or to be used for transporting such oil as is mentioned in subsection (1)(f) above from the place where it is first landed in the United Kingdom to the place in the United Kingdom at which the seller in a sale at arm’s length could reasonably be expected to deliver it or, if there is more than one place at which he could reasonably be expected to deliver it, the one nearest to the place of extraction; or”.
- (2) This section shall have effect in relation to any expenditure in respect of which a claim is made after 31st December 1978.

Editorial Information

- X10** The text of part of ss. 89, 90, 91, 114, 116, 119 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

120 ^{F85}

Textual Amendments

F85 Repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, **Sch. 31**. See 1987 edition for these provisions.

121 Gas banking schemes.

Regulation under section 108 of the ^{M24}Finance Act 1980 (gas banking schemes) may provide for the modifications made by them to have effect from a date before the regulations are made and for any election made under that section to have effect from a date before the election is made.

Marginal Citations

M24 [1980 c. 48](#).

^{F86}**PART VIII**

SUPPLEMENTARY PETROLEUM DUTY

Textual Amendments

F86 Part VIII (ss. 122–128) repealed by [Finance Act 1982 \(c. 39\)](#), s. 157(6), **Sch. 22 Pt. IX** for chargeable periods ending after 31 December 1982.

122 Charge of supplementary petroleum duty.

- (1) Every participator in an oilfield shall, in accordance with this Part of this Act, be chargeable with a tax (to be known as supplementary petroleum duty) on the gross profit accruing to him from the field in any chargeable period to which this section applies.
- (2) The duty shall be charged at the rate of 20 per cent.
- (3) For the purposes of the duty the gross profit shall, except so far as otherwise provided in this Part of this Act, be determined in accordance with section ^{F87}2(4) to (5A) of the Oil Taxation Act 1975 (“the principal Act”) as for the purposes of petroleum revenue tax.
- (4) Any other expression used in this Part of this Act which also occurs in Part I of the principal Act shall be construed in the same way as for the purposes of that tax.
- (5) This section applies to the chargeable periods ending on 30th June 1981, 31st December 1981, ^{F88}30th June 1982, and 31st December 1982 and to no other periods].

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F87** Words substituted by [Finance Act 1982 \(c. 39\), s. 133\(2\)](#) for chargeable periods ending after 31 December 1981. Originally “2(4) and (5)”
- F88** Words substituted by [Finance Act 1982 \(c. 39\), s. 132\(2\)](#). Originally “and 30th June 1982”.

Modifications etc. (not altering text)

- C6** See [Finance Act 1982 \(c. 39\), s. 135](#)—in relation to determination of oil fields under Oil Taxation Act 1975 Sch. 1 made after 31 December 1981, Part VIII to apply to oil won before the date of determination.

123 Increase of gross profit by reference to royalties in kind.

- (1) This section applies where part of a participator’s share of the oil won and saved from an oil field is delivered by him in a chargeable period to the Secretary of State pursuant to a requirement imposed under the terms of a licence granted under the Petroleum (Production) Act 1934.
- (2) In determining for the purposes of the duty the gross profit accruing to the participator from the field in the chargeable period the aggregate of the amounts mentioned in section 2(5)(a), (b) and (c) of the principal Act shall be increased by multiplying it by a fraction of which—
 - (a) the numerator is the total of the quantity of oil won from the field which is delivered or relevantly appropriated by him in the period including the oil delivered to the Secretary of State; and
 - (b) the denominator is that total excluding the oil delivered to the Secretary of State.
- (3) Where oil is delivered pursuant to a requirement which relates to oil of one or more kinds but not to others, subsection (2) above shall apply only in relation to oil of the kind or kinds to which the requirement relates; and where oil is delivered pursuant to a requirement which specifies different proportions in relation to different kinds of oil, that subsection shall apply separately in relation to each of those kinds.
- (4) For the purposes of section 2(5) of the principal Act as applied by this Part of this Act the exclusion by paragraph 4 of Schedule 3 to that Act of oil delivered to the Secretary of State under the terms of a licence granted under the said Act of 1934 shall be deemed to extend to oil which is inadvertently delivered to him in excess of the amount required; and oil so delivered shall be treated for the purposes of this section as delivered pursuant to a requirement imposed under the terms of such a licence.

124 Reduction of gross profit by reference to exempt allowance.

- (1) For the purposes of the duty there shall be for each oilfield in each chargeable period an exempt allowance of 500,000 metric tonnes of oil divided between the participators in shares proportionate to their shares of the oil won and saved from the field during the period.
- (2) If the gross profit accruing to a participator in a chargeable period from a field exceeds the cash equivalent of his share of the exempt allowance, the gross profit shall be reduced to an amount equal to the excess.

Changes to legislation: *Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (3) If the gross profit accruing to a participator in a chargeable period from a field does not exceed the cash equivalent of his share of the exempt allowance, the gross profit shall be reduced to nil.
- (4) Subject to subsection (5) below, the cash equivalent of a participator's share of the exempt allowance for an oil field for a chargeable period shall be equal to such proportion of the gross profit accruing to him from the field in that period (before any reduction under this section) as his share of the exempt allowance bears to his share, exclusive of excluded oil within the meaning of section 10 of the principal Act, of the oil won and saved from the field during the period.
- (5) If a participator in an oil field so elects by notice in writing given to the Board at the time when he makes his return under paragraph 2 of Schedule 2 to the principal Act for a chargeable period, the cash equivalent of his share of the exempt allowance for the field for that period shall be determined under subsection (4) above—
 - (a) to the extent that his share of that exempt allowance does not exceed his share of the oil (other than gas) won and saved from the field in the period, as if in computing the gross profit accruing to him in the period all amounts relating to gas fell to be disregarded; and
 - (b) to the extent, if any, that his share of that allowance exceeds his share of the oil (other than gas) so won and saved, as if in computing the gross profit so accruing all amounts relating to oil other than gas fell to be disregarded.
- (6) In this section references to a participator's share of the oil won and saved from a field are to his share as expressed in metric tonnes and for that purpose 1,100 cubic metres of oil consisting of gas at a temperature of 15 degrees centigrade and pressure of one atmosphere shall be counted as equivalent to one metric tonne of oil other than gas.

125 Repayment of duty in case of field showing loss on cessation.

- (1) Subject to the provisions of this section, the duty paid by a participator in respect of an oil field shall be repaid to him if—
 - (a) a decision has been made under Schedule 8 to the principal Act (whether by the Board or on appeal) that the winning of oil from the field has permanently ceased;
 - (b) an unrelievable field loss, within the meaning of section 6 of that Act, has accrued to the participator from the field; and
 - (c) a claim for repayment is made under this section.
- (2) The amount of duty to be repaid shall not exceed the amount of the unrelievable field loss; and where duty paid by a participator in respect of an oil field is repaid under this section the amount to be taken into account under section 2(9)(e) of the principal Act as the unrelievable field loss from that field in computing the assessable profit or allowable loss accruing from another field to—
 - (a) the participator; or
 - (b) a company which, within the meaning of the said section 6, is associated with him in respect of the loss,
 shall not be greater than the amount (if any) by which it exceeds the amount repaid.
- (3) If a claim for the allowance of the unrelievable field loss is made by the participator under Schedule 8 to the principal Act, the claim under this section shall be included

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

in that claim; and in any other case the claim under this section shall be made within six years after the date of the decision mentioned in subsection (1)(a) above.

- (4) Sub-paragraphs (2) and (3) of paragraph 4 of the said Schedule 8 shall, with the necessary modifications, apply in relation to a claim for repayment under this section as they apply in relation to a claim under sub-paragraph (1) of that paragraph.
- (5) References in this section to duty paid by a participator are to duty paid by him and not previously repaid.

126 Deduction of duty in computing assessable profit or allowable loss for petroleum revenue tax.

- (1) For the purpose of computing under section 2 of the principal Act the assessable profit or allowable loss accruing to a participator in any chargeable period from an oil field—
 - (a) there shall be included as a negative amount his duty debit (if any) for the period; and
 - (b) there shall be included as a positive amount his duty credit (if any) for the period.
- (2) The participator's duty debit or credit (if any) for the period is the difference (if any) between—
 - (a) the sum of the amounts mentioned in subsection (3) below; and
 - (b) the sum of—
 - (i) the amount taken into account under paragraph (a) of that subsection in computing his duty debit or credit for the preceding chargeable period; and
 - (ii) the amount of any duty repaid to him in the period in respect of the field;and their difference (if any) is a duty debit if the sum mentioned in paragraph (a) above is greater than the sum mentioned in paragraph (b) above, and is otherwise a duty credit.
- (3) The amounts referred to in subsection (2)(a) above are—
 - (a) the amount shown in the statement delivered by the participator under sub-paragraph (1)(a) of paragraph 10 of Schedule 16 to this Act as the duty payable by him under that paragraph for the period in respect of the field; and
 - (b) the amount of duty paid in the period in respect of the field for previous chargeable periods.
- (4) For the purposes of subsection (3)(b) above duty for a period which is paid before the end of that period shall be treated as paid in the next chargeable period.
- (5) Where a participator's liability to petroleum revenue tax has been determined by reference to an amount of duty paid by him and there is a repayment of the duty which cannot be taken into account under the foregoing provisions of this section, an additional assessment to that tax may be made at any time not later than six years after the end of the chargeable period in which the duty is repaid.
- (6) Paragraph 12 of Schedule 17 to the Finance Act 1980 (treatment of royalty payments where there is a transfer of an interest in an oil field) shall apply in relation to any duty debit or credit as it applies in relation to a licence debit or credit, taking references to subsection (6) of section 2 of the principal Act and paragraphs (a) and (b) of that

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

subsection as references to subsection (2) above and paragraphs (a) and (b) of that subsection.

127 Deduction of duty in computing income for corporation tax.

- (1) Where a participator in an oilfield has paid any duty with which he was chargeable for a chargeable period, then, in computing for corporation tax the amount of his income arising in the relevant accounting period from oil extraction activities or oil rights, there shall be deducted an amount equal to that duty; and there shall be made all such adjustments of assessments to corporation tax as are required in order to give effect to this subsection.
- (2) For the Purposes of subsection (1) above the relevant accounting period, in relation to any duty paid by a company, is—
 - (a) the accounting period of the company in or at the end of which the chargeable period for which the duty was charged ends; or
 - (b) if that chargeable period ends after the accounting period of the company in or at the end of which the trade giving rise to the income referred to in subsection (1) above is permanently discontinued, that accounting period.
- (3) Subject to subsection (4) below, if some or all of the duty in respect of which a deduction has been made under subsection (1) above is subsequently repaid, that deduction shall be reduced or extinguished accordingly; and any additional assessment to corporation tax required in order to give effect to this subsection may be made at any time not later than six years after the end of the accounting period in which the duty was repaid.
- (4) Subsection (3) above does not apply to any repayment of duty under section 125 above but any amount of duty repaid to a person under that section shall be treated as his income for the purpose of corporation tax.
- (5) Where, because of a deduction made under subsection (1) above in computing for corporation tax the amount of a company's income of any kind, the amount of advance corporation tax which can be set against the company's liability to corporation tax for an accounting period is less than the amount of advance corporation tax which could have been set against that liability if the deduction had not been made, then, if a claim in that behalf is made by the company not later than two years after the end of that accounting period, an amount of advance corporation tax equal to the difference shall be repaid to the company.
- (6) In this section "oil extraction activities" and "oil rights" have the meaning given in section 19(1) of the principal Act.

Modifications etc. (not altering text)

C7 See [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 498(8)—in determining the amount of any advance corporation tax ("ACT") repayable under s. 172(5) any Act in respect of distribution actually made on or after 17 March 1987 shall be left out of account.

128 Supplementary Provisions.

- (1) Schedule 16 to this Act shall have effect with respect to the management and collection of duty.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (2) In section 1(1) of the Provisional Collection of Taxes Act 1968 after the words “petroleum revenue tax” there shall be inserted the words “ supplementary petroleum duty ”.
- (3) This Part of this Act shall be included in the Oil Taxation Acts for the purposes of section 108 of the Finance Act 1980 (gas banking schemes).]

Modifications etc. (not altering text)

C8 See Part II, post.

PART IX

129— F89
133.

Textual Amendments

F89 Ss. 129–133 repealed by Finance Act 1985 (c. 54), s. 98(6), Sch. 27 Pt. X Note 2

PART X

MISCELLANEOUS AND SUPPLEMENTARY

^{xii}134 **Special tax on banking deposits.**

- (1) Every person who on 10th March 1981 was carrying on a banking business in the United Kingdom shall be chargeable for the year beginning on 1st April 1981 with a tax (to be known as the special tax on banking deposits) if the average chargeable deposits held by him in the base period exceeded £15 million.
- (2) The amount of tax chargeable in the case of any person shall be equal to 2 per cent. of the excess referred to in subsection (1) above or, if the excess is more than £200 million, the aggregate of 2 per cent. of the first £200 million and 2½ per cent. of the remainder.
- (3) Part I of Schedule 17 to this Act shall have effect for determining the base period and the chargeable deposits held by a person in that period; and Part II of that Schedule shall have effect with respect to the management and collection of the tax.
- (4) The tax paid by a person shall not be deductible in computing his income, profits or losses for the purposes of income tax or corporation tax.
- (5) In this section and Schedule 17 references to a person carrying on a banking business do not include references to the Bank of England or the central bank of any country outside the United Kingdom.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Editorial Information

- X11** The text of s. 134 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

135 Chevening Estate.

- (1) The enactments relating to ^{F90} . . . [^{F91}capital transfer tax] shall not apply in respect of property held on the trusts of the trust instrument set out in the ^{M25}Schedule to Chevening Estate Act 1959.
- (2) This section shall be deemed always to have had effect.

Textual Amendments

- F90** Words in s. 135 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with s. 201(3), [Sch. 11 paras. 20, 22, 26\(2\), 27](#)).
- F91** Words substituted by [Finance Act 1985 \(c. 54\)](#), s. 93(7), [Sch. 25 para. 10](#)

Marginal Citations

- M25** [1959 c. 49](#).

136 Exchange control.

- (1) ^{F92}
- (2) In section 2(1) of the ^{M26}Banking and Financial Dealings Act 1971 (power to suspend financial dealings)—
- (a) in paragraph (b) for the words “no authorised dealer in foreign currency”, and
- (b) in paragraph (c) for the words “no authorised dealer in gold”,
- there shall be substituted the words “no person”.
- (3) ^{F92}

Textual Amendments

- F92** [S. 136\(1\)\(3\)](#) repealed by [Finance Act 1987 \(c. 16, SIF 99:6\)](#), s. 72(7), [Sch. 16 Pt. XI](#)

Modifications etc. (not altering text)

- C9** The text of s. 136(2) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

- M26** [1971 c. 80](#)

137 Irish land Acts.

- ^{F93}(1)

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

^{F93}(2)

(3) Any sums required to be paid under subsection (7) of section 16 of the ^{M27}National Loans Act 1968 in respect of the management of securities issued under the ^{M28}Northern Ireland Land Act 1925 shall be met out of the National Loans Fund with recourse to the Consolidated Fund.

(4) This section shall come into force on 1st April 1982.

Textual Amendments

F93 S. 137(1)(2) repealed (2.12.1999) by 1998 c. 47, s. 100(2), **Sch. 15** (with s. 95); S.I. 1999/3209, art. 2, **Sch.**

Marginal Citations

M27 1968 c. 13.

M28 1925 c. 34.

138 ^{F94}

Textual Amendments

F94 S. 138 repealed by **Income and Corporation Taxes Act 1988** (c. 1), s. 844, **Sch. 31**

139 Short title, interpretation, construction and repeals.

(1) This Act may be cited as the Finance Act 1981.

(2) In this Act “the Taxes Act” means the Income and Corporation Taxes Act [^{F95}1988].

(3) Part IV of this Act, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts and, so far as it relates to capital gains tax, shall be construed as one with the ^{M29}Capital Gains Tax Act 1979.

(4) ^{F96}

(5) In Parts VII and VIII of this Act “ the principal Act” means the ^{M30}Oil Taxation Act 1975.

(6) The enactments mentioned in Schedule 19 to this Act are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.

Textual Amendments

F95 Word substituted by **Income and Corporation Taxes Act 1988** (c. 1), **Sch. 29 para. 32**

F96 S. 139(4) repealed by **Capital Transfer Tax Act 1984** (c. 51), ss. 274, 277, Schs. 7, 9

Marginal Citations

M29 1979 c. 14.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

M30 1975 c. 22.

Changes to legislation:

Finance Act 1981 is up to date with all changes known to be in force on or before 08 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- s. 107(3)(d) repealed by [2001 asp 10 Sch. 10 para. 8](#)
- Sch. 19 Pt. 1 table words omitted by [S.I. 2022/109 reg. 3](#) (This amendment not applied to legislation.gov.uk. The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)
- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)