



Finance Act 1982

1982 CHAPTER 39

PART VI

OIL TAXATION

CHAPTER I

GENERAL

132 Increase of petroleum revenue tax and ending of supplementary petroleum duty.

- (1) With respect to chargeable periods ending after 31st December 1982, section 1(2) of the principal Act (rate of petroleum revenue tax) shall be amended by substituting for the words “70 per cent.” the words “75 per cent.”.
- (2) At the end of subsection (5) of section 122 of the ^{M1}Finance Act 1981 (the chargeable periods for which supplementary petroleum duty is chargeable) for the words “and 30th June 1982” there shall be substituted the words “30th June 1982 and 31st December 1982 and to no other periods”.

Modifications etc. (not altering text)

- C1** Part of the text of ss. 132(2), 133(1) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991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

- M1** 1981 c. 35.

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133 Export sales of gas.

- (1) In section 2 of the principal Act (assessable profits and allowable losses) at the beginning of subsection (5) there shall be inserted the words “ Subject to subsection (5A) below ” and at the end of that subsection there shall be inserted the following subsection—

“(5A) In any case where oil consisting of gas is disposed of in a sale at arm’s length and the terms of the contract are such that the seller is required to transport the gas from a place on land in the United Kingdom for delivery at a place outside the United Kingdom or to meet some or all of the costs of or incidental to its transportation from and to such places then, for the purposes of this Part of this Act—

- (a) the price received or receivable for the gas shall be deemed to be that for which it would have been sold, and
- (b) the gas shall be deemed to be delivered at the time it would have been delivered,

if the terms of the contract required the gas to be delivered as mentioned in paragraph 2(2)(b) of Schedule 3 to this Act and did not require the seller to meet any such costs as are mentioned above.”

- (2) In section 122(3) of the ^{M2}Finance Act 1981 (gross profit for Purposes of supplementary petroleum duty) for “2(4) and (5)” there shall be substituted “ 2(4) to (5A) ”.
- (3) This section has effect with respect to chargeable periods ending after 31st December 1981.

Modifications etc. (not altering text)

- C2** Part of the text of ss. 132(2), 133(1) 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

- M2** 1981 c. 35.

134 Alternative valuation of ethane used for petrochemical purposes.

- (1) Where an election is made under this section and accepted by the Board, the market value for taxation purposes of any ethane to which the election applies shall be determined, not in accordance with paragraphs 2, 2A and 3 of Schedule 3 to the principal Act (value under a notional contract), but in accordance with a price formula specified in the election; and, in relation to any such ethane, any reference to market value in any other provision of the principal Act [^{F1}, in Part 8 of the Corporation Tax Act 2010][^{F2} or in [^{F3}Chapter 16A of Part 2 of the Income Tax (Trading and Other Income) Act 2005]] shall be construed accordingly.
- (2) Subject to subsection (3) below, an election under this section [^{F4} must be made before 1st January 1994 and] applies only to ethane—
- (a) which, during the period covered by the election, is either disposed of otherwise than in sales at arm’s length or relevantly appropriated; and

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- (b) which is used or to be used for petrochemical purposes by or on behalf of the person to whom it is so disposed of or, as the case may be, by or on behalf of the participator by whom it is appropriated; and
 - (c) which is not subjected to fractionation between the time at which it is disposed of or appropriated as mentioned in paragraph (a) above and the time at which it is used as mentioned in paragraph (b) above.
- (3) In any case where—
- (a) at a time during the period covered by an election, market value falls to be determined for ethane to which subsection (4)(b) or subsection (5)(d) of section 2 of the principal Act applies (oil stocks at the end of chargeable periods), and
 - (b) after the expiry of the chargeable period in question, the ethane is disposed of or appropriated and used as mentioned in subsection (2) above,
- the market value of that ethane at the time referred to in paragraph (a) above shall be determined as if it were then ethane to which the election applies.
- (4) Where any ethane is used principally for the petro-chemical purposes specified in the election but some of it is used for fuel, as an incident of the principal use, the whole of it shall be regarded as ethane to which the election applies; but, subject thereto, the market value of ethane used otherwise than for those purposes shall be determined as if no election had been made.
- (5) The provisions of Schedule 18 to this Act shall have effect for supplementing this section.
- (6) In the preceding provisions of this section—
- (a) “ethane” means oil consisting of gas of which the largest component by volume over any chargeable period is ethane and which—
 - (i) before being disposed of or appropriated as mentioned in subsection (2)(a) above either is not subjected to initial treatment or is subjected to initial treatment which does not include fractionation, or
 - (ii) results from the fractionation of gas before it is disposed of or relevantly appropriated;
 - (b) “taxation purposes” means the purposes of Part I of the principal Act and of Part VIII of the ^{M3} Finance Act 1981 (supplementary petroleum duty).
- (7) In this section “fractionation” means the treatment of gas in order to separate gas of one or more kinds as mentioned in Paragraph 2A(3) of Schedule 3 to the principal Act; and for the purposes of subsection (6)(a) above,—
- (a) the proportion of ethane in any gas shall be determined at a temperature of 15 degrees centigrade and at a pressure of one atmosphere; and
 - (b) “component” means ethane, methane or liquified petroleum gas.

Textual Amendments

- F1** Words in s. 134(1) inserted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 177](#) (with [Sch. 2](#))
- F2** Words inserted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 29](#)
- F3** Words in s. 134(1) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 178](#) (with [Sch. 9 paras. 1-9, 22](#))
- F4** Words in s. 134(2) inserted (3.5.1994) by [1994 c. 9, s. 236\(3\)\(a\)](#)

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Modifications etc. (not altering text)

C3 S. 134 restricted (3.5.1994) by [1994 c. 9, s. 236\(3\)](#)

Marginal Citations

M3 [1981 c. 35.](#)

135 Determination of oil fields.

- (1) In any case where a determination of an oil field is made under Schedule 1 to the principal Act and before the date of the determination oil has been won from the oil field so determined,—
- (a) Part I of the principal Act, except Schedule 7, and Part VIII of the ^{M4} Finance Act 1981 (supplementary petroleum duty) shall apply as if the determination had been made immediately before oil was first won from the field;
 - (b) where the actual date of the determination is later than the date which by virtue of paragraph (a) above is the end of a chargeable period for the oil field, then as respects that chargeable period sections 33(1) and 34 of the ^{M5} Taxes Management Act 1970 (in their application by virtue of paragraph 1 of Schedule 2 to the principal Act), paragraphs 2(1), 5(1) and 13 of Schedule 2 to the principal Act and paragraph 9 of Schedule 16 to the Finance Act 1981 shall have effect as if any reference to the end of a chargeable period were a reference to the actual date of the determination;
 - (c) where the actual date of the determination is later than the date which by virtue of paragraph (a) above is the end of a claim period in relation to the oil field, then as respects that claim period paragraph 2(1) of Schedule 5 to the principal Act and paragraph 1(2) of Schedule 6 to that Act shall have effect as if any reference to the end of the claim period in which the expenditure is incurred were a reference to that actual date; and
 - (d) where the actual date of the determination is later than the date which by virtue of paragraph (a) above is the end of the transfer period, within the meaning of Schedule 17 to the ^{M6} Finance Act 1980, in relation to the oil field, then as respects that transfer period paragraph 3(1) of that Schedule shall have effect as if the reference to the end of the transfer period were a reference to that actual date.
- (2) In any case where—
- (a) a determination is made under paragraph 5 of Schedule 1 to the principal Act (variation of fields) varying an earlier determination; and
 - (b) in consequence of that variation an existing oil field is altered to any extent;
- then Part I of the principal Act and Part VIII of the ^{M7} Finance Act 1981 shall apply in relation to the oil field subject only to the modifications provided by subsection (3) below.
- (3) Where subsection (2) above applies—
- (a) the time allowed—
 - (i) by paragraph 2 or paragraph 5 of Schedule 2 to the principal Act for making returns, or
 - (ii) by paragraph 3 of Schedule 17 to the ^{M8} Finance Act 1980 for delivering notices—

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shall as respects returns or notices containing such particulars as may be required in consequence of the later determination be extended to a period ending, in the case of a return under paragraph 2 or a notice under paragraph 3, two months and, in the case of a return under paragraph 5, one month after the actual date of that determination;

- (b) any claim falling to be made in accordance with Schedule 5 or 6 to the principal Act in respect of any expenditure incurred before the actual date of the later determination which could not have been made before that determination may be made at any time before the expiry of the period of six years beginning with that date;
- (c) section 1 of the ^{M9}Petroleum Revenue Tax Act 1980 (payments of tax on account), section 105 of the Finance Act 1980 (advance payments of tax) and paragraph 10 of Schedule 16 to the Finance Act 1981 (payments on account of supplementary petroleum duty) shall not apply in relation to any return made under paragraph 2 of Schedule 2 to the principal Act in so far as it is made by virtue of paragraph (a) above; and
- (d) section 139 below (advance petroleum revenue tax) shall not apply in relation to so much of the gross profit as accrues to any person in a chargeable period ending before the actual date of the later determination by virtue only of that later determination.

(4) In subsection (3) of section 12 of the principal Act (references to things done etc. before determination of field) the words from “as regards” to “any oil field” shall cease to have effect.

(5) This section has effect in relation to determinations made after 31st December 1981.

Marginal Citations

- M4** 1981 c. 35.
- M5** 1970 c. 9.
- M6** 1980 c. 48.
- M7** 1981 c. 35.
- M8** 1980 c. 48.
- M9** 1980 c. 1.

136 ^{F5}

Textual Amendments

- F5** S. 136 repealed by *Income and Corporation Taxes 1988 (c. 1, SIF 63:1)*, s. 844 and Sch. 31

^{F6}**137 Expenditure met by regional development grants to be disregarded for certain purposes.**

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Textual Amendments

F6 S. 137 repealed (21.7.2008) by Statute Law (Repeals) Act 2008 (c. 12), Sch. 1 Pt. 8

138 **F7**

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Textual Amendments

F7 S. 138 repealed by Income and Corporation Taxes 1988 (c. 1, SIF 63:1), s. 844 and Sch. 31

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1982, Chapter I.