
Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Cross Heading: Associated assets. (See end of Document for details)

SCHEDULES

SCHEDULE 1

ALLOWABLE EXPENDITURE

Modifications etc. (not altering text)

- C1** Sch. 1 modified by 1975 c. 22, Sch. 4 para. 2(1)(b) (as inserted (with effect where the transaction to which 1975 c. 22, Sch. 4 para. 2 applies takes place on or after 16.3.1993) by 1993 c. 34, s. 191(4)(6))

PART I

EXTENSIONS OF ALLOWABLE EXPENDITURE FOR ASSETS GENERATING RECEIPTS

Associated assets

- 1 (1) This paragraph applies where, after 30th June 1982, a participator in an oil field (in this paragraph referred to as “the principal field”) incurs or incurred expenditure in acquiring, bringing into existence or enhancing the value of an asset—
- (a) which is not a mobile asset and which, apart from this paragraph, does not fall within subsection (1)(a) of section 3 of this Act; and
 - (b) the use of which gives rise, or is expected to give rise, to receipts which, assuming the asset to be a qualifying asset, would be tariff receipts; and
 - (c) the useful life of which continues, or is expected to continue, after the end of the first chargeable period in which the receipts referred to in paragraph (b) above arise; and
 - (d) which is, or is expected to be, used in association with another asset which itself is, has been, or is expected to be, used in connection with the principal field;

and, where this paragraph applies, the asset on which the expenditure is or was incurred is in the following provisions of this paragraph referred to as “the associated asset”.

- (2) Subject to section 4(2) of this Act, for the purposes of section 3 of this Act, Part II below and section 3 of the principal Act, the use of the associated asset to give rise to the receipts referred to in sub-paragraph (1)(b) above shall be assumed to be use in connection with the principal field.
- (3) For the purposes of this paragraph, an asset shall not be regarded as used in association with another asset which is, has been or is expected to be used in connection with the principal field unless it is used in a way—
- (a) which constitutes use in connection with another oil field; or
 - (b) which would constitute such use but for section 10(2) of the principal Act (exempt gas); or

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(c) which, on the assumptions in sub-paragraph (4) below, would constitute use in connection with an external field;

and for the purposes of paragraph (c) above, an external field is an area which is not under the jurisdiction of the government of the United Kingdom.

(4) The assumptions referred to in sub-paragraph (3)(c) above are—

(a) that every external field is situated in a designated area and is an oil field within the meaning of Part I of the principal Act; and

(b) that references in Part I of the principal Act to oil are references to any substance that would be oil if the enactments mentioned in section 1(1) thereof extended to the external field; ^{F1} . . .

^{F1}(c)

Textual Amendments

F1 Sch. 1 para. 1(4)(c) and the word “and” immediately preceding it repealed (16.7.1992 with effect in accordance with s. 74(5) of the repealing Act) by Finance (No. 2) Act 1992 (c. 48), ss. 74(5), 82, Sch. 15 para. 6, Sch. 18 Pt.VIII.

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