

Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Cross Heading: Assets acquired etc. for two or more fields. (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 II

SPECIAL RULES AS TO EXPENDITURE ALLOWABLE IN RESPECT OF FIXED ASSETS AND DEDICATED MOBILE ASSETS

Assets acquired etc. for two or more fields

- 5 (1) Subject to sub-paragraphs (2) and (3) below, where the purchaser is a participator in two or more oil fields (in this paragraph referred to as “the purchaser’s fields”) and, at the end of the relevant claim period, it appears that the new asset is or is expected to be used in connection with two or more of those fields then, unless it seems just and reasonable to attribute all of the allowable expenditure relevant to the new asset to only one of those fields, that expenditure shall be apportioned, in such manner as may be just and reasonable, between those of the purchaser’s fields in connection with which the new asset is or is expected to be used.
- (2) If, in a case falling within sub-paragraph (1) above, the use of the new asset in connection with one of the purchaser’s fields (in this paragraph referred to as “the paying field”) gives, or is at the end of the relevant claim period expected to give, rise to receipts which, by virtue of section 8 of this Act, are to be attributed to another of those fields, as being the chargeable field, so much (if any) of the allowable expenditure as, apart from this sub-paragraph, would be apportioned to the paying field and as is reasonably attributable to the use of the new asset which gives rise to the receipts shall be apportioned to the chargeable field.
- (3) If, in a case falling within sub-paragraph (1) above, it appears, at the end of the relevant claim period, that the new asset also is or is expected to be used otherwise than in connection with a field in which the purchaser is a participator, then—
- in the apportionment made by virtue of sub-paragraph (1) above, such a percentage of the allowable expenditure as is just and reasonable shall be apportioned to that use; and
 - for the purpose of any claim for an allowance in respect of any of the allowable expenditure, the percentage of that expenditure which under paragraph (a) above was apportioned to that use shall be added to the percentage of that expenditure which, under sub-paragraph (1) above, was

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apportioned to that one of the purchaser's fields which, in relation to the new asset, is the chargeable field.

- (4) If, in relation to the allowable expenditure, the relevant claim periods of the purchaser's fields are not the same, references in the preceding provisions of this paragraph to the end of the relevant claim period are references to the end of that relevant claim period which ends earlier or earliest.
- 6 (1) In any case where—
- (a) the new asset is or is expected to be used in connection with two or more oil fields, and
 - (b) no apportionment of the allowable expenditure falls to be made by virtue of paragraph 5 above,
- the allowable expenditure shall be treated as wholly attributable to the use of the asset in connection with that field in which the purchaser is a participator or, if there is more than one such field, that one of them in relation to which a development decision is or was first made.
- (2) Subsection (7) of section 5A of the principal Act (time when development decision is made) shall have effect for the purposes of sub-paragraph (1) above as it has effect for the purposes of subsection (1)(c) of that section.
- [^{F1}(3) Subsection (3A) of section 8 of this Act applies for the purposes of sub-paragraph (1) above as it applies for the purposes of subsection (3)(c) of that section.]

Textual Amendments

F1 Sch. 1 para. 6(3) added by Finance Act 1986 (c. 41), s. 110(4)

Modifications etc. (not altering text)

C1 Sch. 1 para. 6 deemed always to have had effect as amended by Finance Act 1986 (c. 41), s. 110(4)

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