



Oil Taxation Act 1983

1983 CHAPTER 56

Reliefs for expenditure

4 Expenditure related to exempt gas and deballasting

(1) In any case where expenditure falls within section 3(1) above, but by reason of section 10(2) of the principal Act (exempt gas) some of the use (or expected use) of the asset is not use in connection with an oil field, such part of that expenditure as it is just and reasonable to apportion to that use (or expected use) shall be excluded from the expenditure which is allowable as mentioned in section 3(4) above.

(2) In any case where expenditure—

- (a) falls within section 3(1) above, or
- (b) by virtue of any provision of Part I of Schedule 1 to this Act, falls within section 3 of the principal Act,

but some of the use (or expected use) of the asset is use for deballasting, such part of that expenditure as it is just and reasonable to apportion to that use (or expected use) shall be excluded from the expenditure which is allowable as mentioned in section 3(4) above or, as the case may be, from the expenditure which is allowable under section 3 of the principal Act.

(3) In any case where—

- (a) expenditure does not fall within section 3(1) above or section 3 of the principal Act by reason only of section 10(2) of that Act (exempt gas), but
- (b) the asset in relation to which the expenditure was incurred is or is expected to be used in a way which gives rise to tariff receipts,

then, so far as relates to so much of that expenditure as it is just and reasonable to apportion to the use referred to in paragraph (b) above, that use of the asset shall be treated for the purposes of section 3 above, Schedule 1 to this Act and section 3 of the principal Act as use in connection with the field from which the excluded oil, within the meaning of section 10 of that Act, is won.

Status: This is the original version (as it was originally enacted).

- (4) References in subsection (3) above to the use of an asset (other than the final reference to use in connection with a field) include references to the provision, in connection with the use of the asset, of services or other business facilities of any kind.
- (5) In any case where—
- (a) expenditure is incurred in enhancing the value of an asset with a view to the subsequent disposal of it or of an interest in it, and
 - (b) by reason only of section 10(2) of the principal Act (exempt gas), the expenditure does not fall within section 3(1) above or section 3 of that Act, and
 - (c) the subsequent disposal of, or of an interest in, the asset gives or is expected to give rise to disposal receipts,

then, such part of the use of the asset as it is just and reasonable to apportion to the expenditure referred to in paragraph (a) above shall be treated for the purposes of section 3 above, Schedule 1 to this Act and section 3 of the principal Act as use in connection with the field from which the excluded oil, within the meaning of section 10 of that Act, is won.