



# Finance Act 1981

## 1981 CHAPTER 35

### PART VII

#### PETROLEUM REVENUE TAX

#### <sup>x1</sup>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.
  - (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

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1981, Section 116. (See end of Document for details)*

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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.

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**Editorial Information**

**X1** 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:**

There are currently no known outstanding effects for the Finance Act 1981, Section 116.