



Finance Act 1981

1981 CHAPTER 35

PART VII

PETROLEUM REVENUE TAX

118 Licence payments other than royalties

- (1) For the purpose of computing under section 2 of the principal Act the assessable profit or allowable loss accruing to a participator in any chargeable period from an oil field—
 - (a) there shall be included as a positive amount any chargeable sum paid to the participator in the period by the Secretary of State ; and
 - (b) there shall be included as a negative amount any allowable sum paid by the participator in the period to the Secretary of State.
- (2) In this section " chargeable sum " and " allowable sum " mean any sum which after 31st December 1980 is paid to a participator by the Secretary of State or, as the case may be, by the participator to the Secretary of State by reference to a relevant licence except—
 - (a) any sum falling to be taken into account under section 2(6) of the principal Act (licence debit or credit) or section 3(1)(b) of that Act (payment under or for the purpose of obtaining a relevant licence);
 - (b) any sum consisting of interest on a sum payable to or by the Secretary of State;
 - (c) any repayment by the Secretary of State under section 41(3) of the Petroleum and Submarine Pipe-lines Act 1975 (repayment of royalty for facilitating or maintaining the development of United Kingdom petroleum resources); and
 - (d) any payment or repayment of royalty in respect of excluded oil (as defined in section 10 of the principal Act) and any other payment attributable to such oil.
- (3) Where the relevant licence by reference to which a chargeable sum or allowable sum is paid relates to a licensed area comprising the whole or part of two or more oil fields, that sum shall for the purposes of this section be apportioned between all or any of those fields, or attributed wholly to one of them, as may be just and reasonable.

Status: This is the original version (as it was originally enacted).

- (4) A return under paragraph 2 of Schedule 2 to the principal Act shall include a statement of the chargeable sums and allowable sums, if any, paid to or by the participator in the chargeable period to which the return relates.
- (5) In considering for the purposes of paragraph 8(1) of Schedule 3 to the principal Act (subsidised expenditure) how far any expenditure has been or is to be met directly or indirectly by the Crown or by any authority or person other than the person incurring the expenditure, any chargeable sum shall be left out of account.
- (6) This section shall be construed as one with Part I of the principal Act.