



Finance Act 1982

1982 CHAPTER 39

PART VI

OIL TAXATION

CHAPTER I

GENERAL

134 Alternative valuation of ethane used for petrochemical purposes.

- (1) Where an election is made under this section and accepted by the Board, the market value for taxation purposes of any ethane to which the election applies shall be determined, not in accordance with paragraphs 2, 2A and 3 of Schedule 3 to the principal Act (value under a notional contract), but in accordance with a price formula specified in the election; and, in relation to any such ethane, any reference to market value in any other provision of the principal Act [^{F1}, in Part 8 of the Corporation Tax Act 2010][^{F2} or in [^{F3}Chapter 16A of Part 2 of the Income Tax (Trading and Other Income) Act 2005]] shall be construed accordingly.
- (2) Subject to subsection (3) below, an election under this section [^{F4} must be made before 1st January 1994 and] applies only to ethane—
 - (a) which, during the period covered by the election, is either disposed of otherwise than in sales at arm's length or relevantly appropriated; and
 - (b) which is used or to be used for petrochemical purposes by or on behalf of the person to whom it is so disposed of or, as the case may be, by or on behalf of the participator by whom it is appropriated; and
 - (c) which is not subjected to fractionation between the time at which it is disposed of or appropriated as mentioned in paragraph (a) above and the time at which it is used as mentioned in paragraph (b) above.
- (3) In any case where—
 - (a) at a time during the period covered by an election, market value falls to be determined for ethane to which subsection (4)(b) or subsection (5)(d) of

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1982, Section 134. (See end of Document for details)

section 2 of the principal Act applies (oil stocks at the end of chargeable periods), and

- (b) after the expiry of the chargeable period in question, the ethane is disposed of or appropriated and used as mentioned in subsection (2) above,

the market value of that ethane at the time referred to in paragraph (a) above shall be determined as if it were then ethane to which the election applies.

- (4) Where any ethane is used principally for the petro-chemical purposes specified in the election but some of it is used for fuel, as an incident of the principal use, the whole of it shall be regarded as ethane to which the election applies; but, subject thereto, the market value of ethane used otherwise than for those purposes shall be determined as if no election had been made.
- (5) The provisions of Schedule 18 to this Act shall have effect for supplementing this section.
- (6) In the preceding provisions of this section—
- (a) “ethane” means oil consisting of gas of which the largest component by volume over any chargeable period is ethane and which—
- (i) before being disposed of or appropriated as mentioned in subsection (2)(a) above either is not subjected to initial treatment or is subjected to initial treatment which does not include fractionation, or
- (ii) results from the fractionation of gas before it is disposed of or relevantly appropriated;
- (b) “taxation purposes” means the purposes of Part I of the principal Act and of Part VIII of the ^{M1} Finance Act 1981 (supplementary petroleum duty).
- (7) In this section “fractionation” means the treatment of gas in order to separate gas of one or more kinds as mentioned in Paragraph 2A(3) of Schedule 3 to the principal Act; and for the purposes of subsection (6)(a) above,—
- (a) the proportion of ethane in any gas shall be determined at a temperature of 15 degrees centigrade and at a pressure of one atmosphere; and
- (b) “component” means ethane, methane or liquified petroleum gas.

Textual Amendments

- F1** Words in s. 134(1) inserted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 177** (with Sch. 2)
- F2** Words inserted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **Sch. 29 para. 29**
- F3** Words in s. 134(1) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 8 para. 178** (with Sch. 9 paras. 1-9, 22)
- F4** Words in s. 134(2) inserted (3.5.1994) by [1994 c. 9](#), s. **236(3)(a)**

Modifications etc. (not altering text)

- C1** S. 134 restricted (3.5.1994) by [1994 c. 9](#), s. **236(3)**

Marginal Citations

- M1** [1981 c. 35](#).

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1982, Section 134.