



Oil Taxation Act 1983

1983 CHAPTER 56

Reliefs for expenditure

3 Expenditure incurred on long-term assets other than non-dedicated mobile assets.

- (1) Subject to section 13 below, this section applies to expenditure (whether or not of a capital nature) which is or was incurred by a person after 30th June 1982 and at or before the time when he is or was a participator in an oil field, being expenditure incurred, subject to subsection (2) below, in acquiring, bringing into existence, or enhancing the value of an asset—
 - (a) which, at the end of the relevant claim period, is being or is expected to be used in connection with the field; and
 - (b) which, at the end of the relevant claim period, is or is expected to be a long-term asset; and
 - (c) which either is not a mobile asset or is a mobile asset which became dedicated to that field in the relevant claim period or in any earlier claim period.
- (2) This section does not apply to expenditure incurred as mentioned in subsection (1) above in any case where the Board consider that its application to that expenditure would have only a negligible effect on the total expenditure allowable under Part I of the principal Act for the field and so notify the responsible person.
- (3) Part I of Schedule 1 to this Act shall have effect for the purpose of allowing relief for certain expenditure which would not otherwise fall within this section or, as the case may be, section 3 of the principal Act.
- (4) Except as provided by subsections (6) and (7) and [F1sections 3A and 4] below and Part II of Schedule 1 to this Act, the whole of any expenditure to which this section applies shall be allowable on a claim under Schedule 5 or Schedule 6 to the principal Act for the relevant claim period.
- (5) The relevant claim period referred to in subsections (1) and (4) above is—
 - (a) the claim period which is appropriate under paragraph 2 of Schedule 5 or, as the case may be, paragraph 1 of Schedule 6 to the principal Act; or

Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 3. (See end of Document for details)

- (b) if the asset is a brought-in asset, as defined in section 4(12)(a) of the principal Act, and the expenditure has not already been allowable for an earlier claim period by virtue of paragraph (a) above, the claim period in which the asset is first used in connection with the field in question, discounting, in the case of a mobile asset, any claim period in which it was not dedicated to that field; or
 - (c) if the asset is a mobile asset and paragraph (b) above does not apply and the expenditure has not already been allowable for an earlier claim period by virtue of paragraph (a) above, the claim period in which the asset became dedicated to the field in question.
- (6) Subsections (3) to (5A) of section 3 of the principal Act apply for the purposes of this section and Schedule 1 to this Act as they apply for the purposes of that section; and, except in so far as section 5 below provides to the contrary, any reference to section 4 of the principal Act (but not a reference to any specific provision of that section) in—
- (a) Part I of that Act,
 - (b) any enactment, other than this Act, which is to be construed as one with that Part, or
 - (c) section 107 of the ^{M1}Finance Act 1980 (transmedian fields), shall be construed as including a reference to this section, section 4 below and Schedule 1 to this Act.
- (7) Section 4(13) of the principal Act (interests in assets) applies to the preceding provisions of this section and the provisions of Schedule 1 to this Act; and those provisions are subject to paragraph 2 of Schedule 4 and to Schedules 5 and 6 to the principal Act.
- (8) In this section “long-term asset” means an asset the useful life of which continues after the end of the claim period in which it is first used in connection with the oil field in question.

Textual Amendments

- F1** Words in s. 3(4) substituted (with effect in accordance with s. 285(6)(b) of the commencing Act) by Finance Act 2004 (c. 12), **Sch. 37 para. 2(2)** (with **Sch. 37 Pt. 2**)

Modifications etc. (not altering text)

- C1** S. 3 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, **ss. 191(4)(6),**)
- S. 3 modified (3.5.1994) by 1994 c. 9, ss. 231, 234, **Sch. 22 Pt. II para. 12**
- S. 3 restricted (27.7.1999 with effect as mentioned in s. 95(9)(10) of the amending Act) by 1999 c. 16, **s.95(2)**

Marginal Citations

- M1** 1980 c. 48.

Changes to legislation:

There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 3.