



# Oil Taxation Act 1983

## 1983 CHAPTER 56

### *Charge of receipts*

#### **8 Qualifying assets.**

- (1) Subject to paragraph 4 of Schedule 2 to this Act, for the purposes of this Act a “qualifying asset”, in relation to a participator in an oil field, means [<sup>F1</sup>subject to subsection (1A) below] an asset—
- which either is not a mobile asset or is a mobile asset dedicated to that oil field; and
  - in respect of which expenditure incurred by the participator is allowable, or has been allowed, for that field under section 3 above, section 4 of the principal Act or, subject to subsection (2) below, section 3 of that Act.

[<sup>F2</sup>(1A) Notwithstanding anything in subsection (1) above, the following assets are not qualifying assets for the purposes of this Act, namely,—

- land or an interest in land; and
  - a building or structure which is situated on land and which does not fall within any of sub-paragraphs (i) to (iv) of paragraph (c) of subsection (4) of section 3 of the principal Act. ]
- (2) If, in respect of any asset, the only expenditure which falls within subsection (1)(b) above is expenditure allowable or allowed under section 3 of the principal Act, the asset shall not be a qualifying asset unless, at the time the expenditure was incurred, it was expected that the useful life of the asset would continue after the end of the claim period in which the asset was to be first used in a way which would constitute use in connection with an oil field for the purposes of that section.
- (3) Subject to subsection (4) below, the oil field to which are attributable tariff receipts or disposal receipts referable to a qualifying asset is that field for which the expenditure referred to in subsection (1)(b) above is allowable; and, if there is more than one such field, then,—
- in the case of a mobile asset, no account shall be taken of a field to which it is not dedicated; and

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*Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 8. (See end of Document for details)*

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- (b) no account shall be taken of a field in relation to which the asset is a qualifying asset by virtue only of paragraph 1 of Schedule 1 to this Act; and
- (c) subject to paragraphs (a) and (b) above [<sup>F3</sup>and subsection (3A) below], it is that one of those fields in relation to which a development decision was first made;

and subsection (7) of section 5A of the principal Act (time when development decision is made) shall have effect for the purposes of paragraph (c) above [<sup>F3</sup>and subsection (3A) below] as it has effect for the purposes of subsection (1)(c) of that section.

[<sup>F4</sup>(3A) If development decisions were first made in relation to two or more oil fields on the same day, then, for the purposes of subsection (3)( c ) above, it shall be conclusively presumed that the first of those decisions was made in relation to that one of those fields in connection with which it appeared—

- (a) at the time of the decision, or
- (b) if it is later, at the time the asset was acquired or brought into existence by the participator in question for use in connection with an oil field,

that the participator in question would make the most use of the asset.]

- (4) In the case of an asset which, in relation to the participator in question, is a qualifying asset by virtue only of paragraph 1 of Schedule 1 to this Act, the oil field to which are attributable tariff receipts or disposal receipts referable to the asset is that to which (in accordance with subsection (3) above) those receipts would be attributable if they were referable to the other asset referred to in sub-paragraph (1)(d) of that paragraph (that is to say, the asset in association with which the first asset is, or is expected to be, used).
- (5) In relation to a qualifying asset or the tariff receipts or disposal receipts referable to it, in this Act “chargeable field” means the field referred to in subsection (3) or, as the case may be, subsection (4) above.

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#### **Textual Amendments**

- F1** Words inserted by [Finance Act 1985 \(c. 54\), s. 92\(1\)](#)
  - F2** S. 8(1A) inserted by [Finance Act 1985 \(c. 54\), s. 92\(2\)](#)
  - F3** Words inserted by [Finance Act 1986 \(c. 41\), s. 110\(2\)](#)
  - F4** S. 8(3A) inserted by [Finance Act 1986 \(c. 41\), s. 110\(3\)](#)
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#### **Modifications etc. (not altering text)**

- C1** S. 8 deemed always to have had effect in form amended by [Finance Act 1986](#), by said Act (c. 41), s. 110(1)

**Changes to legislation:**

There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 8.