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**Changes to legislation:** There are currently no known outstanding effects for the Finance (No. 2) Act 1992, Cross Heading: THE OIL TAXATION ACT 1975. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 15

#### AMENDMENTS RELATING TO OIL EXPORTED DIRECTLY FROM OFF-SHORE FIELDS

##### *M<sup>1</sup>* THE OIL TAXATION ACT 1975

#### Marginal Citations

**M1** 1975 c. 22.

- 1 In section 2 (assessable profits and allowable losses), in subsection (5A) (gas exported from a place on land in the United Kingdom) for the words from “required”, in the second place where it occurs, to the end of the subsection there shall be substituted “did not require the seller to meet any such costs as are mentioned above but did require the gas to be delivered—
- (i) in the case of gas extracted in the United Kingdom, at the place of extraction; or
  - (ii) in the case of gas extracted from strata in the sea bed and subsoil of the territorial sea of the United Kingdom or of a designated area, at the place in the United Kingdom at which the seller could reasonably be expected to deliver it or, if there is more than one such place, the one nearest to the place of extraction.”
- 2 (1) In section 3 (allowance of expenditure), in subsection (1), in paragraph (f) (transportation costs)—
- (a) after the words “transporting it” there shall be inserted “ (i) ”; and
  - (b) for the words “or to the place in the United Kingdom” there shall be substituted “or
    - (ii) to the place in the United Kingdom or, in the case of oil first landed in another country, to the place in that or any other country (other than the United Kingdom)”.
- (2) In subsection (4) of that section, in paragraph (c) (allowable expenditure does not include cost of acquiring buildings or structures, subject to exceptions)—
- (a) in sub-paragraph (i) the words “of either the territorial sea of the United Kingdom or a designated area” shall be omitted; and
  - (b) in sub-paragraph (iv) for the words “in the United Kingdom to the place in the United Kingdom” there shall be substituted “ to the place in the United Kingdom or, in the case of oil first landed in another country, to the place in that or any other country (other than the United Kingdom) ”.

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- (3) In subsection (5) of that section (expenditure qualifying for supplement), in each of paragraphs (a) and (c) after the words “United Kingdom” there shall be inserted the words “ or another country ”.
- (4) At the end of subsection (6) of that section (apportionment of expenditure) there shall be added the words “and where, in the case of oil won as mentioned in paragraph (f) of subsection (1) above, expenditure is incurred in transporting—
- (a) oil first landed in the United Kingdom to a place in the United Kingdom which is not the nearest place referred to in sub-paragraph (ii) of that paragraph, or
  - (b) oil first landed in another country to a place in that or any other country (other than the United Kingdom) which is not the nearest place so referred to,
- so much of that expenditure as does not exceed what would have been the expenditure incurred in transporting it to that nearest place shall be regarded as falling within the said paragraph (f). ”
- 3 In section 12(1) (definitions),—
- (a) in the definitions of “initial storage” and “initial treatment” the words “in the United Kingdom, the territorial sea thereof or a designated area” shall be omitted;
  - (b) in the definition of “initial storage” after the words “United Kingdom”, in the second place where they occur, there shall be inserted “ or another country ”;
  - (c) in the definition of “land”, after the words “United Kingdom” there shall be inserted “ or another country ”; and
  - (d) in the definition of “production purposes” after the words “United Kingdom”, in the last place where they occur, there shall be inserted “ or another country ”.
- 4 <sup>F1</sup>(1) .....
- (2) In paragraph 7 of that Schedule (exclusion of off-shore oil in transit to place of first landing in United Kingdom)—
- (a) in the heading the words “in United Kingdom” shall be omitted; and
  - (b) in sub-paragraph (a) after the words “United Kingdom” there shall be inserted “ or to the place referred to in section 3(1)(f)(ii) of this Act ”.

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**Textual Amendments**

**F1** [Sch. 15 para. 4\(1\)](#) repealed (19.7.2006) (with effect in accordance with Sch. 26 Pt. 5(1) Note 2 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 5\(1\)](#)

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