



Finance Act 1993

1993 CHAPTER 34

PART III

OIL TAXATION

190 Allowance of expenditure on certain assets limited by reference to taxable field use

- (1) Where, in the case of expenditure incurred as mentioned in section 1(1) of the 1983 Act (expenditure incurred on non-dedicated mobile assets),—
 - (a) the expenditure would, apart from this subsection, be allowable under section 4 of the principal Act for a claim period of a taxable field, and
 - (b) during that claim period, the asset becomes dedicated to a non-taxable field, that proportion of the expenditure which is equal to the proportion of the claim period during which the asset is dedicated to a non-taxable field shall not be allowable as mentioned in paragraph (a) above.
- (2) For the purpose of determining whether an asset becomes at any time dedicated to a non-taxable field, it shall be assumed that, in relation to a non-taxable field, any reference in section 2 of the 1983 Act (dedicated mobile assets) to a claim period is a reference to—
 - (a) the period ending at the end of December following the determination of the field; or
 - (b) the period of twelve months ending at the end of December in any later year.
- (3) In paragraph 7 of Schedule 1 to the 1983 Act (brought-in assets) in sub-paragraph (1) (c) (which requires that during the initial period the asset should have been used otherwise than in connection with an oil field) for the words “an oil field” there shall be substituted “a taxable field”.
- (4) In paragraph 8 of that Schedule (subsequent use of new asset otherwise than in connection with an oil field) in the heading and in sub-paragraphs (1) to (3) and (6) for the words “an oil field” there shall be substituted “a taxable field”.

Status: This is the original version (as it was originally enacted).

- (5) In paragraph 5 of Schedule 2 to the 1983 Act (acquisition otherwise than at arm's length: limit on tariff and disposal receipts)—
- (a) in paragraphs (a) and (c) of sub-paragraph (1) for the words “an oil field” there shall be substituted “a taxable field”;
 - (b) at the end of sub-paragraph (1)(c) there shall be added “and
 - (d) the asset is to be used wholly in connection with a taxable field”;
 - (c) in sub-paragraph (3)(a) for the words “an oil field” there shall be substituted “a taxable field”; and
 - (d) in sub-paragraph (3)(b) for the words “an oil field” there shall be substituted “a taxable field or, if it is to a participator in a taxable field, the asset is to be used wholly or partly in connection with a non-taxable field”.