



Finance Act 1998

1998 CHAPTER 36

PART V

OTHER TAXES

Petroleum revenue tax etc.

152 Gas valuation

- (1) Paragraph 3A of Schedule 3 to the Oil Taxation Act 1975 (market value of light gases) shall have effect, and be deemed always to have had effect, with the insertion of the following sub-paragraph after sub-paragraph (3)—

“(3A) The circumstances referred to in sub-paragraph (1) above include—

- (a) the timing of the making, and of any subsequent variations, of the actual contract or other arrangements under which the disposal or appropriation was made;
- (b) the terms of that contract or, as the case may be, of those arrangements, and the terms of any such variations; and
- (c) the extent to which the circumstances to which regard is to be had by virtue of paragraphs (a) and (b) above are circumstances that might reasonably have been expected to exist in the case of a contract satisfying the conditions specified in sub-paragraph (2) above.”

- (2) Paragraph 12 of Schedule 2 to the Oil Taxation Act 1983 (purchase of oil at place of extraction) shall have effect and, in relation to light gases disposed of or appropriated at any time on or after 3rd May 1994, be deemed to have had effect—

- (a) with the substitution, for the words “paragraphs (a) to (c)” in sub-paragraph (2), of the words “paragraphs (a) to (cb)”;
- (b) with the substitution for the words from “2(5)(b)” to “length),” in sub-paragraph (5) of the words “2(5)(b) or (ca) of the principal Act (oil disposed of otherwise than in sales at arm’s length),”.

Status: This is the original version (as it was originally enacted).

(3) Section 493 of the Taxes Act 1988 (valuation of oil disposed of or appropriated in certain circumstances) shall have effect, and, in relation to light gases disposed of or appropriated at any time on or after 3rd May 1994, be deemed to have had effect, with the insertion after subsection (5) of the following subsection—

“(6) In subsections (3) and (4) above the references to the market value of any oil in the calendar month in which a disposal of the oil was made or, as the case may be, in which it was appropriated shall each have effect in relation to light gases (within the meaning of the 1975 Act) as a reference to the amount which, if paragraph 3A of Schedule 3 to the 1975 Act applied, would be the market value of that oil in relation to the disposal or appropriation in question.”