
STATUTORY INSTRUMENTS

1982 No. 1858

TAXES

The Oil Taxation (Gas Banking Schemes) (No. 2) Regulations 1982

Laid before the House of Commons in draft

Made - - - - 23rd December 1982

Coming into Operation 1st January 1983

Whereas a draft of these Regulations has been laid before the House of Commons and approved by resolution of that House pursuant to section 108(6) of the Finance Act 1980⁽¹⁾:

Now, therefore, the Commissioners of Inland Revenue, in exercise of the powers conferred on them by the said section 108, hereby make the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Oil Taxation (Gas Banking Schemes) (No. 2) Regulations 1982 and shall come into operation on 1st January 1983.

Interpretation

2. In these Regulations, unless the context otherwise requires—

“APRT” has the same meaning as in Chapter II of Part VI of the Finance Act 1982;

“the Principal Regulations” means The Oil Taxation (Gas Banking Schemes) Regulations 1982;

other expressions have the same meaning as in the Principal Regulations.

Amendments to the Principal Regulations

3. The references in the Principal Regulations to petroleum revenue tax shall, in relation to each of the chargeable periods referred to in section 139(1) of the Finance Act 1982, include a reference to APRT.

4.—(1) The Principal Regulations shall be amended as follows.

(1) section 108 was extended by sections 121 and 128(3) of the Finance Act 1981 (c.35) and section 139(7) of the Finance Act 1982 (c.39).

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(2) In Regulations 3(2)(a), 3(3), 6(3)(a) and 6(4) the words “and supplementary petroleum duty” shall be omitted on each occasion that they occur.

(3) In Regulation 3(2) for sub-paragraph (b) there shall be substituted—

“(b) the cash equivalent of the share of a participator in a transferor field of the oil allowance referred to in section 8 of the Oil Taxation Act 1975⁽²⁾ and the exempt allowance referred to in section 141 of the Finance Act 1982 for that field for a chargeable period; and”

(4) In Regulation 5(2)(a) the words from “or, in the case of” to “1st May 1982” shall be omitted.

(5) For Regulation 8 there shall be substituted—

“**8.** In computing for the purposes of the statements to be delivered to the Board under section 1(1)(a) of the Petroleum Revenue Tax Act 1980⁽³⁾ and paragraph 1(2)(a) of Schedule 19 to the Finance Act 1982 the tax payable for any chargeable period in respect of an oil field, it shall be assumed that the consent of the Board to the making of an election in respect of a gas banking scheme, for which application has been made under paragraph (2) of Regulation 5 above at the time when any such statement is to be delivered, will be forthcoming and that such an election will be made by the participators in the relevant fields in the manner prescribed by Regulation 6.”

Supplementary and transitional provisions

5. Where an application for the consent of the Board to the making of an election is made before 1st April 1983 in respect of a gas banking scheme under which gas was first transferred in the chargeable period ending 31st December 1982 and an election is subsequently made (or it is to be assumed for the purposes of Regulation 8 of the Principal Regulations that an election will be made) by the participators in the relevant fields in the manner prescribed by Regulation 6 of the Principal Regulations that the modifications should apply in the case of the scheme, Regulation 3 of those Regulations shall apply in the case of the scheme as it was before amendment by these Regulations for the chargeable period ending 31st December 1982 only.

6. Participators in two or more oil fields who, before these Regulations came into operation, made an election in the manner prescribed by Regulation 6 of the Principal Regulations that the modifications should apply in the case of a gas banking scheme in force between them shall be treated for chargeable periods ending after 31st December 1982 as having made a further election on the coming into operation of these Regulations that the modifications as amended by these Regulations should apply in the case of the scheme and Regulation 3 of the Principal Regulations shall apply accordingly for such chargeable periods.

J. H. Green

J. M. Gracey

23rd December 1982

Two of the Commissioners of Inland Revenue

(2) 1975 c.22.

(3) 1980 c.1.

EXPLANATORY NOTE

These Regulations amend the Principal Regulations (S.I. 1982/92) to take account of the abolition of supplementary petroleum duty and the introduction of advance petroleum revenue tax with effect from chargeable periods ending after 31st December 1982. Regulation 6 provides that participators in fields who have made elections under the original Regulations do not have to make new elections for the amendments to extend to them.

Supplementary petroleum duty is a temporary duty which applies for the chargeable periods in 1981 and 1982 only (section 122(5) Finance Act 1981 and section 132(2) Finance Act 1982). It is charged at 20 per cent of gross revenues, after the allowance of 500,000 tonnes of oil per chargeable period tax free. Advance petroleum revenue tax was introduced by sections 139-142 and Schedule 19 Finance Act 1982. It will be charged on a similar basis but unlike the duty is not a separate tax but an advance payment of petroleum revenue tax which can be set-off against current or future liabilities.