



# Energy (Oil and Gas) Profits Levy Act 2022

## 2022 CHAPTER 40

### *Relief for investment expenditure*

#### **2 Additional expenditure treated as incurred for purposes of section 1**

- (1) This section applies for the purposes of section 1 if, in a qualifying accounting period, a company has incurred investment expenditure.
- (2) Expenditure is “investment expenditure” so far as—
  - (a) it is capital expenditure, operating expenditure or leasing expenditure,
  - (b) it is incurred for the purposes of oil-related activities,
  - (c) it is not incurred for disqualifying purposes, and
  - (d) it does not consist of financing costs or decommissioning costs.
- (3) For the purposes of section 1 the company is to be treated as if, in addition to the investment expenditure incurred by it in the accounting period, it had incurred in that period expenditure of an amount equal to [<sup>F1</sup>29%] of the amount of that investment expenditure.
- (4) For the purposes of this section, if investment expenditure is incurred partly for the purposes of oil-related activities and partly for other purposes, the expenditure is to be attributed to the oil-related activities on a just and reasonable basis.
- (5) This section needs to be read with section 6 (which prevents recycling etc of assets to generate relief).

#### **Textual Amendments**

- F1** Word in [s. 2\(3\)](#) substituted (1.1.2023 in relation to expenditure incurred on or after 1.1.2023) by [Finance Act 2023 \(c. 1\), s. 2](#)

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**Changes to legislation:** There are currently no known outstanding effects for the Energy  
(Oil and Gas) Profits Levy Act 2022, Section 2. (See end of Document for details)

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### Commencement Information

**II** S. 2 in force at Royal Assent

**Changes to legislation:**

There are currently no known outstanding effects for the Energy (Oil and Gas) Profits Levy Act 2022, Section 2.