



# Energy (Oil and Gas) Profits Levy Act 2022

## 2022 CHAPTER 40

### *Financing and decommissioning costs*

#### **9 Meaning of “decommissioning costs”**

- (1) This section applies for the purposes of this Act.
- (2) “Decommissioning costs” means any expenditure which—
  - (a) is decommissioning expenditure or site restoration expenditure, and
  - (b) qualifies for a capital allowance.
- (3) In this section “decommissioning expenditure” means expenditure incurred in connection with—
  - (a) demolishing plant or machinery,
  - (b) preserving plant or machinery pending its reuse or demolition,
  - (c) preparing plant or machinery for reuse, or
  - (d) arranging for the reuse of plant or machinery,and the expression “plant or machinery” has the same meaning here as it has in Part 2 of CAA 2001.
- (4) In determining whether expenditure is incurred on preserving plant or machinery pending its reuse or demolition, it does not matter whether the plant or machinery is reused, is demolished or is partly reused and partly demolished.
- (5) In determining whether expenditure is incurred on preparing plant or machinery for reuse, or on arranging for the reuse of plant or machinery, it does not matter whether the plant or machinery is in fact reused.
- (6) In this section “site restoration expenditure” means expenditure which is incurred on the restoration of—
  - (a) the site of a source to the working of which the ring fence trade concerned relates (or related), or

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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 9. (See end of Document for details)

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(b) land used in connection with working such a source.

(7) For this purpose “restoration” includes the matters set out in section 416ZA(7) of CAA 2001.

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**Commencement Information**

**II** S. 9 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 9.