HMRC - OT03010 - PRT: Overview Of PRT - Introduction

Petroleum Revenue Tax (PRT) was introduced by OTA75. It is essentially a tax on the profits from oil and gas production from the UK Continental Shelf. Unlike Corporation Tax, which is charged on the aggregate profit arising from all oil fields owned by a company, PRT is charged on each owner’s share of the profits of each individual oil field. PRT profit and losses are therefore calculated using the statutory procedure set out in OTA75 rather than by reference to profits shown in company accounts. The scope of PRT was significantly amended by OTA83 to reflect the more complex infrastructure arrangements which had developed by that date. Tariff and disposal receipts arising from the use of field assets were brought directly into charge and the provisions for apportioning expenditure between fields were altered. PRT was abolished on 16 March 1993 for all fields given development consent on or after that date. The current rate of PRT is 50%.

For details of the North Sea Fiscal Regime see OT00010.

For details of the background to OTA75 and the objectives of OTA75 see OT00150.

For details of tariff and disposal receipts see OT15000.

For details of Long Term Assets see OT11000

For details of abolition see OT03500.

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