HMRC - OT03530 - FA93 - Apportionment Of Expenditure Between Taxable And Non-Taxable Fields

The retention of the field determination mechanism in OTA75\SCH1 enables various apportionment rules to run.

The FA93 amending legislation (and the instructions which follow) are concerned with transactions between “taxable” and “non-taxable” fields, ie which take place across the PRT boundary. (See OT03535 - OT03545).

FA93\S185(6) provides generally that, where in accordance with any provision (e.g. OTA83\SCH1\PARA5) allowable expenditure incurred after 16 March 1993 falls to be apportioned between two or more fields, at least one of which is a non-taxable field, then that apportionment shall be made as if all the fields were taxable fields, but the amount apportioned to the non-taxable field(s) will not then be allowable.

Abandonment Expenditure

OTA75\S3(1D) (see OT10200) is amended so as to apportion abandonment expenditure where an asset has been used in both a taxable and a non-taxable field (FA93\S185(4)(b)).

Long Term Assets

FA93\S190 introduced a number of consequential changes to certain parts of the pre FA93 legislation which were concerned with apportionment of expenditure by reference to field/non- field use. These are dealt with at OT03535 and OT03540 below.

Previous page

Next page