HMRC - OT13110 - - Outline

The legislation covering spreading elections ceased to have effect in relation to chargeable periods beginning after 30 June 2009.

OTA75\Sch3\Para9 & Para10

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It is normal in early field life for participators to incur significant upfront expenditure, and it may take a number of periods before they break even in the field and begin to pay PRT. OTA75\Sch3\Para9 is intended to allow participators to spread their PRT liabilities more evenly but, because of the current profile of PRT, elections are increasingly rare. A successful election permits a participator to spread relief for ‘supplemented expenditure’ (see OT12025) over a number of chargeable periods.

‘Relief for supplemented expenditure’ is defined in OTA75\Sch3\Para9(7) as the amount attributable to expenditure which qualifies for supplement, together with the associated supplement which, but for the election, would fall to be relieved in an assessment.

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