HMRC - OT15600 - Tariff Receipts Allowance

Tariff receipts allowance (TRA) is an allowance given against tariffs chargeable on a participator where the chargeable tariffs are ‘qualifying tariff receipts’ (OT15650) received or receivable from a ‘user field’ (OT15625). TRA is not available where the tariffs are received or receivable from a non-taxable field. There is no similar allowance for disposal receipts.

For TRA purposes, the field in which the tariffs are chargeable on the participator is referred to as the ‘principal field’.

The TRA rules are in OTA83\S9 and OTA83\Sch3. The broad effect of these rules is that qualifying tariff receipts from a user field are fully relieved by TRA where the amount of oil from the user field that was extracted, transported, initially treated or initially stored by means of assets of the principal field did not exceed 250,000 metric tonnes in the chargeable period. If the amount of oil transported etc exceeded 250,000 metric tonnes in the chargeable period the TRA is a proportion of the qualifying tariff receipts.

The responsible person for a principal field is required to provide details of the relevant throughputs in respect of user fields in Part C of the PRT2 return for each chargeable period (OTA75\Sch2\Para5(2A)).

For details of the method of sharing the allowance between participators and the method of calculating TRA see OT15675.

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