HMRC - OT15810 - PRT: Tax-Exempt Tariffing Receipts - Outline

OTA83\S6A introduced a new category of receipt; “a tax-exempt tariffing receipt” for amounts received or receivable from tax-exempt business. Tax-exempt business is tariff business under contracts entered into after 8 April 2003;

in connection with a new field (OT15830) or oil won from a new field,

in connection with an existing field (OT15830) or oil won from an existing field

as long as:

the existing field had not used a qualifying asset (OT15100) in the UK Area during the 6 year period ending on 8 April 2003 (Disqualifying Assets - OT15860) or

the qualifying asset so used is an excepted asset (OT15860).

Tax-exempt tariffing receipts which are received or receivable in a chargeable period ending on or after 30 June 2004 are not regarded as tariff receipts (OT15025) for the purposes of PRT (but see Expenditure incurred in the transitional period: restriction of tax-exempt tariffing receipts where long term asset expenditure incurred in the period 9 April 2003 to 31 December 2003 (OT15900).

Expenditure relating to tax-exempt business is not allowable (see Tax-exempt tariffing related expenditure OT15910).

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