HMRC - OT21075 - Deduction Of PRT In Computing Income For CT Purposes

CTA10\S299

Under CTA10\S299 PRT paid is allowed as a deduction in arriving at the taxable ring fence profits of a participator in an oil field. The deduction is the amount chargeable on and paid by the participator for a PRT chargeable period given against the ring fence income of the AP in or at the end of which the PRT chargeable period ends. If the chargeable period ends after the AP in or at the end of which the ring fence trade is permanently discontinued, the deduction is given against the profits of the AP in which that discontinuance occurs.

Where PRT for which a deduction has been given is repaid, the deduction is reduced by the amount of the repayment.

Customers need to have a mechanism for keeping track of changes in PRT payments for CT computation purposes.

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