

Bill 6: Oil taxation

Introduction

1. This paper presents draft clauses which rewrite sections 492 to 502 of and schedule 19C to ICTA, and sections 62 to 65 of FA 1991. These provisions provide the special rules for oil tax for the purposes of corporation tax.
2. The schedule contains provisions which rewrite the equivalent rules for income tax. These are inserted after section 225 of ITTOIA in Part 3 (trading income).
3. The clauses refer in places to definitions and concepts used for Petroleum Revenue Tax (PRT), but the PRT rules are not themselves being rewritten. Schedule 19B of ICTA is also not rewritten as it is of limited future application.
4. The paper contains:
 - the draft clauses, with origins;
 - draft explanatory notes; and
 - draft notes outlining two proposed changes in the law.

Questions for the committee

5. We would be grateful for any comments you may have on these draft clauses.
6. There are two draft change notes which are intended for inclusion in Annex 1 to the explanatory notes on the Bill. They are new changes and both are expected to have no practical effect as they bring the law into line with current practice. We would welcome any comments you may have on them.

Closing date for comments

7. We would welcome any comments by 31 October 2008. If possible, they should be sent by e-mail to:

jackie.bartlett@hmrc.gsi.gov.uk

Written comments should be sent to:
Jackie Bartlett
8th Floor, North Spur
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Bush House
London WC2B 4RD

8. Please note that the names of respondents may be published unless they ask for their comments to be treated in confidence.

24 July 2008