

# 11.11

## Government revenues from UK oil and gas production

Amounts: £ million

Year	Total revenues (excluding gas levy)	Petroleum revenue tax	Supplementary petroleum duty	Corporation Tax				Royalty	Gas levy	
				Total	ACT	Main stream CT	Supplementary charge		Gross	Net of CT clawback
1968-69	1	-	-	-	-	-	-	1	-	-
1969-70	2	-	-	-	-	-	-	2	-	-
1970-71	5	-	-	2	-	2	-	3	-	-
1971-72	10	-	-	4	-	4	-	6	-	-
1972-73	15	-	-	4	-	4	-	11	-	-
1973-74	15	-	-	3	-	3	-	12	-	-
1974-75	20	-	-	5	-	5	-	15	-	-
1975-76	25	-	-	5	-	5	-	20	-	-
1976-77	81	-	-	10	-	10	-	71	-	-
1977-78	238	-	-	10	-	10	-	228	-	-
1978-79	565	183	-	93	40	53	-	289	-	-
1979-80	2,313	1,435	-	250	78	172	-	628	-	-
1980-81	3,743	2,410	-	341	97	244	-	992	-	-
1981-82	6,492	2,390	2,025	681	270	411	-	1,396	383	383
1982-83	7,822	3,274	2,395	521	202	319	-	1,632	471	272
1983-84	8,798	6,017	-	877	430	447	-	1,904	522	277
1984-85	12,035	7,177	-	2,432	1,244	1,188	-	2,426	500	239
1985-86	11,348	6,375	-	2,916	1,085	1,831	-	2,057	525	300
1986-87	4,783	1,188	-	2,676	1,130	1,546	-	919	515	305
1987-88	4,618	2,296	-	1,298	681	617	-	1,024	502	322
1988-89	3,168	1,371	-	1,195	685	510	-	602	407	231
1989-90	2,368	1,050	-	743	495	248	-	575	335	193
1990-91	2,312	860	-	847	363	484	-	605	291	174
1991-92	979	(216)	-	638	370	268	-	557	282	182
1992-93	1,305	69	-	682	480	202	-	554	287	193
1993-94	1,223	359	-	258	219	39	-	606	240	145
1994-95	1,642	712	-	380	299	81	-	550	175	96
1995-96	2,289	968	-	766	674	92	-	555	161	107
1996-97	3,303	1,729	-	890	460	430	-	684	198	132
1997-98	3,277	963	-	1,779	821	958	-	535	200	133
1998-99	2,452	504	-	1,605	655	950	-	343	-	-
1999-2000	2,510	853	-	1,268	120	1,148	-	389	-	-
2000-01	4,402	1,521	-	2,329	-	2,329	-	552	-	-
2001-02	5,370	1,307	-	3,515	-	3,515	-	548	-	-
2002-03	5,054	958	-	3,662	-	3,392	270	434	-	-
2003-04	4,223	1,179	-	3,057	-	2,317	740	(13)	-	-
2004-05	5,115	1,284	-	3,831	-	2,841	990	-	-	-
2005-06	9,323	2,016	-	7,307	-	5,427	1,880	-	-	-
2006-07	8,864	2,155	-	6,709	-	3,959	2,750	-	-	-
2007-08 (1)	7,775	1,680	-	6,095	-	3,605	2,490	-	-	-
2008-09 (1)	12,924	2,566	-	10,358	-	6,108	4,250	-	-	-
2009-10 (2,3)	6,950	1,200	-	5,750	-	3,400	2,350	-	-	-
2010-11 (2,3)	8,400	1,550	-	6,850	-	4,000	2,850	-	-	-

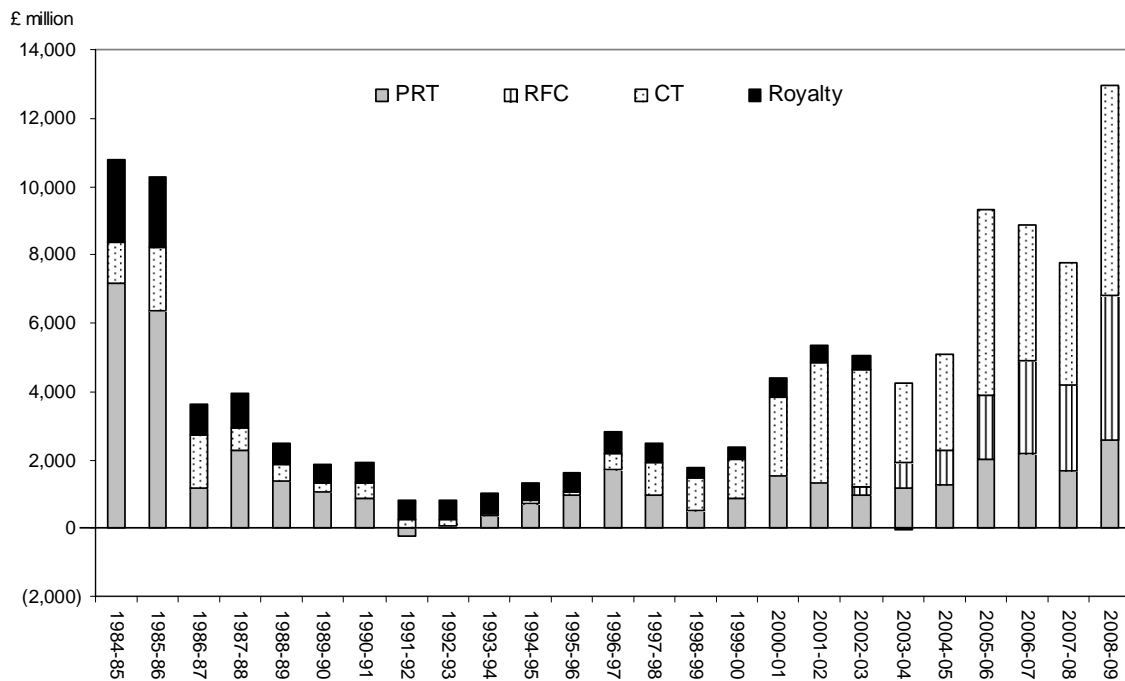
### Footnotes

<sup>1</sup> Figures for Corporation tax are provisional. Figures are subject to change in the future when payments originally made in respect of a group of companies are subsequently re-allocated to individual companies within the group.

<sup>2</sup> Forecast: as prepared for the Pre Budget Report, 9th December 2009. These figures fall outside the scope of National Statistics.

<sup>3</sup> Based on an assumed \$62.2 per barrel oil price for 2009 and \$72.7 for 2010.

**CHART C1**  
**Government revenues from UK oil and gas production**

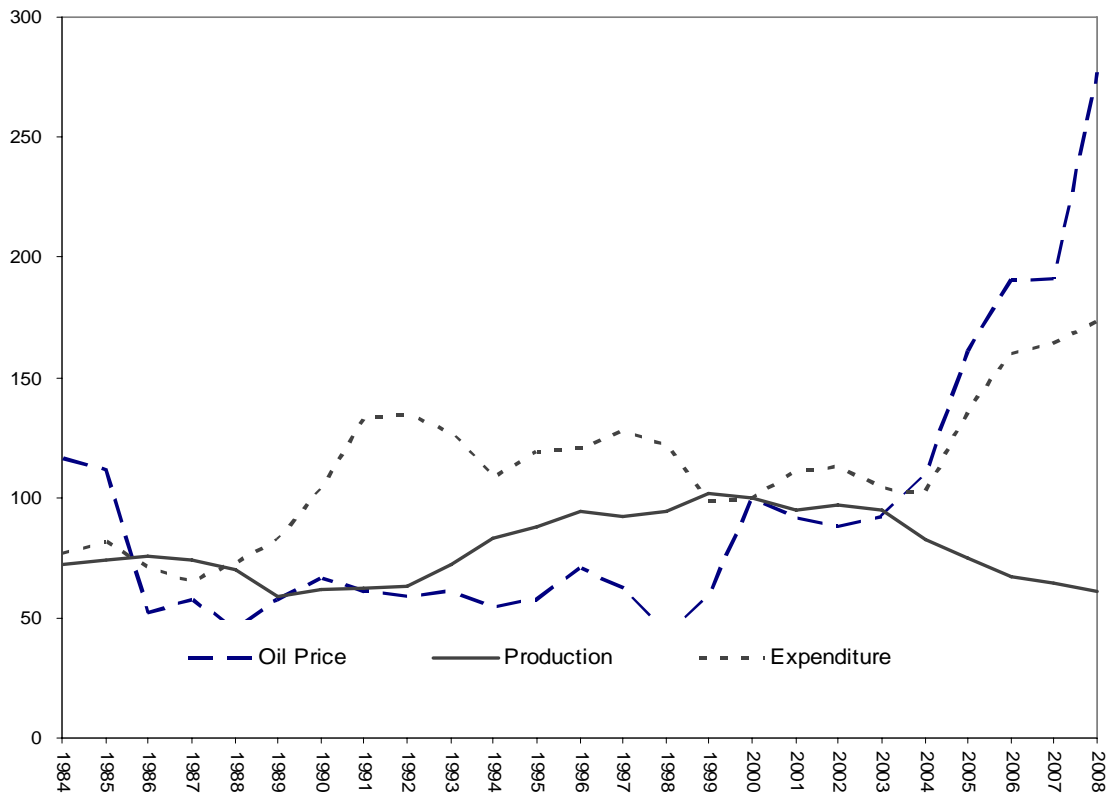


In 1991-92, total receipts are indicated by the height of the bar above the axis.  
 Net PRT receipts were negative and are shown below the axis.  
 Representation of royalty receipts include the area below the axis.

## CHART C2

### UK oil and gas production, the sterling oil price and total expenditure

Index series based on 2000 = 100



#### Notes on the Table and Charts

##### Government revenues from oil and gas production

1. The above table summarises the tax revenues from oil and gas production in the UK and its continental shelf since 1968-69. The yield from the gas levy is shown in the table, but it is excluded in estimates of the total tax on income from oil and gas production because it is categorised as a tax on expenditure. APRT is included with petroleum revenue tax.
2. The corporation tax estimates include the mainstream tax and the ACT set-off against the tax charged. Dividends attributable to UK oil and gas production cannot be separately identified from other dividends and therefore the amount of ACT set-off is estimated.
3. Chart C1 shows the annual tax yield, and its separate components, since 1984-85. Chart C2 shows three of the main determinants of tax liability: annual production, the sterling oil price, and total expenditure. Each is shown as an index based on 2000 = 100 and the absolute values in 2000 were as follows:

Production: 215 million tonnes of oil and the energy equivalent of gas (121 million tonnes of oil and natural gas liquids and 94 million tonnes oil equivalent of gas);

Oil price: £142 per tonne (£18.90 per barrel) averaging over 2000;

Total expenditure: £7.7 billion of capital, operating and exploration and appraisal expenditure.

The tax yield halved in 1986-87 because of the comparable fall in the oil price in 1986. Subsequently, it continued to fall as expenditure rose, but from 1992-93 to 1996-97, the yield rose steadily in line with rising production and some recovery in oil prices. From 1997-98 to 1999-2000 the yield dropped in line with falling oil prices then rose again as oil prices increased. The yield reached a high point in 2005-06 and 2006-07, boosted by a change in the instalment regime for North Sea companies and an increase in the CT supplementary charge to 20%, but declined in 2007-08 as a result of lower production and higher costs. There was a considerable increase in receipts in 2008-09 due to record oil and gas prices, but yield is expected to reverse in 2009-10 as prices have dropped significantly.

4. Further information about North Sea oil & gas is available from the Department of Energy and Climate Change at <http://www.og.decc.gov.uk/>.

