

Table 11.12

Analysis of Petroleum Revenue Tax Assessments



Amounts: £ million

Six month chargeable period ending	30 Jun 2013	31 Dec 2013	30 Jun 2014	31 Dec 2014	30 Jun 2015	31 Dec 2015	30 Jun 2016	31 Dec 2016	30 Jun 2017	31 Dec 2017	30 Jun 2018	31 Dec 2018	30 Jun 2019	31 Dec 2019
Gross profit	4,587	4,081	3,861	2,936	2,392	1,856	1,642	1,815	1,989	1,977	2,226	2,298	2,119	1,869
plus other chargeable receipts	385	144	134	220	169	266	488	152	175	343	100	73	100	108
less royalties (2)	3	2	3	2	3	2	2	1	1	2	2	1	2	1
less field expenditure claimed in period	2,630	2,682	2,605	2,506	1,868	1,745	1,307	1,371	1,338	1,295	1,331	1,308	1,267	1,344
less cross field reliefs claimed in period (3)	16	5	8	1	11	11	1	2	13	2	1	2	1	3
less losses brought forward	310	151	149	140	62	11	83	42	72	92	175	237	138	129
less losses carried back	182	180	287	138	88	19	19	10	25	104	24	87	0	0
Assessable Profits	1,831	1,206	943	368	528	334	719	541	714	825	793	736	811	499
less cash equivalent of oil allowance	230	181	97	92	58	73	44	10	6	7	18	21	0	9
Assessable profits after oil allowance	1,600	1,025	846	277	470	261	675	531	708	818	775	715	811	490
Assessable PRT before safeguard reduction due to safeguard restriction	800	513	423	138	235	130	0	0	0	0	0	0	0	0
Petroleum revenue tax payable	800	513	423	138	235	130	0	0	0	0	0	0	0	0
Memorandum item: Losses carried back in period	373	301	490	643	756	735	1,176	490	829	387	652	793	622	518
Repayment of PRT from carry back of losses in the period (4)														
Principal	147	151	66	263	290	260	436	100	213	189	179	409	220	201
Interest														
All Repayment of PRT in period from carry back of losses														
Principal	149	151	66	409	290	304	502	133	366	233	226	410	164	123
Interest														

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(1) Fields given development approval after 16th March 1993, which are not liable to Petroleum Revenue Tax, are excluded from this table.

(2) Royalties were abolished from 1 January 2003. The continuing deductions in the assessments relate to licence fees that companies still have to pay to BEIS

(3) Consisting of exploration and appraisal relief, cross-field allowance, research relief and relief for unrelieved abandoned field loss.

(4) Due to early publication of assessment data for the latest half year period, no repayments have yet been made as a result of losses carried back from this period. The repayments for this period will however be featured in the next publication.

Notes on the Table

Petroleum revenue tax assessments

(i) Table 11.12 summarises the assessments of accruals of PRT liabilities so far made for each six month period, from the first half of 2009 to the last half of 2015. Estimated assessments, which may later be revised, are included. They may subsequently change following HMRC tax assessments and because tax relief for losses and decommissioning costs in subsequent years may be deductible against some profits that would otherwise be subject to PRT in these periods.

(ii) No PRT assessment on a field is made until production commences. At that stage, all expenditure claimed by the companies during the preceding development is taken into account. In general, assessments may be delayed when there is no liability to tax; the table figures do not include allowance for such cases.

(iii) In the table, the deduction for expenditure is limited to the amounts in assessments required to reduce the assessable profit to nil. Field expenditure (both capital and operating) in the period is distinguished from expenditure claimed under the cross-field reliefs (mainly exploration and appraisal relief). Losses brought forward from earlier periods are not subdivided; they are predominantly from field expenditure, as it is usually inefficient to claim cross-field reliefs before they are effective.

(iv) As stated above, losses in a period (which are sometimes augmented by use of cross-field reliefs) may be carried back indefinitely to earlier periods to reduce liabilities, leading to tax repayments. In the main part of the table, these losses are attributed to the period to which they were carried back. A memorandum item gives for each period the PRT arising for repayment as a result of losses carried back from the period; it is split between repayments of principal and associated interest. There is thus no simple direct link between the amounts of PRT paid in each financial year and the amounts shown as payable for each reporting period.

(v) For all chargeable periods after 2015, the rate of PRT is 0%

The table was last updated in June 2019 and the next update will be published in December 2019

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