

Corporation tax on UK Oil and Gas Production

The March *Economic and fiscal outlook* provided a forecast for total corporation tax from UK oil and gas production. This can be divided into two components:

- Ring fence corporation tax charged at 30 per cent. A 'ring fence' prevents taxable profits from being reduced by losses from other activities; and
- Supplementary Charge of 32 per cent on top of ring fence corporation tax. Budget 2011 raised the supplementary charge from 20 per cent to 32 per cent.

There is a separate Petroleum revenue tax for fields sanctioned before 16 March 1993.

£bn	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Ring Fence Corporation tax	3.3	4.3	5.5	4.9	4.5	4.7	4.3
Supplementary Charge	2.3	3.0	5.9	5.9	5.5	5.6	5.1
Total Corporation tax from oil and gas production ¹	5.6	7.4	11.4	10.8	10.1	10.3	9.5

¹Table 4.7, p103, *Economic and fiscal outlook*, March 2011