

Government revenues from UK oil and gas production

£ million

Financial Year	Licence		Petroleum revenue tax	Supplementary petroleum duty	Corporation tax (CT)			Supplementary charge	Total revenues (excluding gas levy)	Gas levy	GDP deflator 2015/16=100
	Fees	Royalty			Total before ACT set off	ACT set-off	Ring Fence CT				
1964/65	2								2		5.9
1965/66	1								1		6.2
1966/67											6.5
1967/68											6.7
1968/69		1									7.0
1969/70		2									7.5
1970/71	1	3			2		2		3		8.2
1971/72	39	6			4		4		43		8.8
1972/73	4	11			4		4		8		9.6
1973/74	3	12			3		3		6		10.4
1974/75	4	15			5		5		9		12.5
1975/76	2	20			5		5		7		15.6
1976/77	5	71			10		10		15		17.7
1977/78	7	228			10		10		17		20.2
1978/79	9	289	183		93	40	53		285		22.4
1979/80	10	628	1,435		250	78	172		1,695		26.2
1980/81	220	992	2,410		341	97	244		2,971		31.2
1981/82	14	1,396	2,390	2,025	681	270	411		3,085	383	34.5
1982/83	46	1,632	3,274	2,395	521	202	319		3,841	471	37.0
1983/84	19	1,904	6,017		877	430	447		6,913	522	38.7
1984/85	136	2,426	7,177		2,432	1,244	1,188		9,745	500	40.9
1985/86	23	2,057	6,375		2,916	1,085	1,831		9,314	525	43.3
1986/87	21	919	1,188		2,676	1,130	1,546		3,885	515	45.0
1987/88	27	1,024	2,296		1,298	681	617		3,621	502	47.5
1988/89	25	602	1,371		1,195	685	510		2,591	407	50.6
1989/90	33	575	1,050		743	495	248		1,826	335	54.5
1990/91	31	605	860		847	363	484		1,738	291	58.9
1991/92	37	557	-216		638	370	268		459	282	62.2
1992/93	34	554	69		682	480	202		785	287	63.7
1993/94	43	606	359		258	219	39		660	240	65.2
1994/95	41	550	712		380	299	81		1,133	175	65.9
1995/96	49	555	968		766	674	92		1,783	161	67.9
1996/97	48	684	1,729		890	460	430		2,667	198	70.5
1997/98	54	535	963		1,779	821	958		2,796	200	71.6
1998/99	62	343	504		1,605	655	950		2,171		72.6
1999/2000	53	389	853		1,268	120	1,148		2,174		73.0
2000/01	55	552	1,518		2,329		2,329		3,902		74.5
2001/02	59	548	1,310		3,515		3,515		4,884		75.4
2002/03	63	434	958		3,369		3,369	293	4,683		77.1
2003/04	58	-13	1,179		2,291		2,291	766	4,294		78.9
2004/05	56		1,284		2,790		2,790	1,041	5,171		81.0
2005/06	58		2,016		5,210		5,210	2,097	9,381		83.1
2006/07	63		2,155		4,919		4,919	1,790	8,927		85.7
2007/08	57		1,680		3,402		3,402	2,326	7,465		87.7
2008/09	63		2,567		5,716		5,716	4,110	12,456		90.1
2009/10	68		923		2,839		2,839	2,159	5,989		91.4
2010/11	69		1,458		3,810		3,810	3,054	8,391		93.0
2011/12	67		2,032		4,714		4,714	4,126	10,939		94.3
2012/13	69		1,737		1,916		1,916	2,496	6,218		96.3
2013/14	68		1,118		1,665		1,665	1,891	4,742		97.9
2014/15	67		77		970		970	1,056	2,170		99.3
2015/16	67		-562		465		465	248	218		100.0
2016/17	67		-650		221		221	117	-245		102.0

Notes

The above table summarises the tax revenues from oil and gas production in the UK and its continental shelf since 1964/65.

Licence fees include receipts from fees for onshore and offshore petroleum exploration and production licences, including tender receipts from offshore licensing of £37 million from the 4th round in 1971/72, £33 million the 8th round in 1982/83 and £121 million from the 9th round in 1984/85.

North Sea royalty, previously payable at a rate of 12½ per cent on gross revenues from fields given development approval prior to April 1982, was abolished in its entirety with effect from 1 January 2003.

The rate of petroleum revenue tax was reduced permanently to zero with effect from 1 January 2016.

Supplementary Petroleum Duty (SPD) was introduced with effect from 1 January 1981 by the 1981 Finance Act and lapsed after 31 December 1982; it was payable at the rate of 20% on the gross value of oil and gas produced under UK licences less an allowance per field of 1 million tonnes per year; it did not apply to PRT-exempt sales of gas to the British Gas Corporation.

Advance Petroleum Tax (APRT) is included with petroleum revenue tax (PRT). The net PRT repayment in 1991/92 and low net receipts in 1992/93 resulted from high tax-relievable expenditure claimed on some fields.

Figures for corporation tax for recent years are provisional. They 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. The corporation tax estimates include mainstream tax and the Advance Corporation Tax (ACT) set-off against the tax charged. The ACT set-off is estimated because the dividends attributable to UK oil and gas cannot be separately identified from other dividends. The level of corporation tax receipts in 1993/94 reflected low liabilities in 1992 (paid in the following financial year) and repayment resulting from lower settlements for earlier years.

The supplementary charge in respect of ring fence trades was introduced from 17 April 2002; the rate was increased from 10 to 20 per cent with effect from 1 January 2006 and to 32 per cent with effect from 24 March 2011; it was reduced to 20 per cent with effect from 1 January 2015 and to 10 per cent with effect from 1 January 2016.

The gas levy was introduced in 1981 to capture the rent accruing to the nationalised British Gas Corporation from purchasing PRT-exempt gas under long term contracts signed before the general rise in gas prices. It was abolished with effect from 1 April 1998. The yield from gas levy is not included in total Government revenues because it is categorised as a tax on expenditure rather than on income from oil and gas production.

The tax yield halved in 1986/87 because of a 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 rate of the supplementary charge to 20 per cent, but declined in 2007/08 as a result of lower production and high costs. There was a considerable increase in receipts in 2008/09 due to record oil and gas prices, but yield decreased by half in 2009/10 as prices dropped significantly, production declined and expenditure increased.