STATUTORY INSTRUMENTS

1990 No. 267

ELECTRICITY

The Area Boards (Payments for Use of Tax Losses) Order 1990

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EXPLANATORY NOTE

(This note is not part of the Order)

This Order contains directions by the Secretary of State to the Area Electricity Boards in England and Wales to pay certain sums to the Central Electricity Generating Board. Payment of these sums will, broadly, leave the Area Boards in the same financial position as they would have been if each Board been taxed separately.

Article 3 directs each Area Board to pay the sum specified against its name in the Table to the Generating Board not later than 20th March 1990.

Article 4 directs each Area Board to pay further sums in respect of accounting periods ending before the transfer date, if the profits and losses of the Board (as ascertained for the purposes of corporation tax) relating to the accounting period in question are increased as a result of relevant event (as defined in article 2). Article 5 specifies when the further sums are to be paid. Article 6 directs that interest be added to payments made pursuant to article 4.

(2) The sums specified in the Table in paragraph (1) of this article shall be paid by the Area Boards to the Generating Board not later than 20th March 1990.

Directions to the Area Boards: further payments

4.—(1) The Secretary of State hereby further directs each Area Board to pay to the Generating Board in respect of each relevant accounting period of the Area Board a sum calculated in accordance with the formula–

$$A \times \frac{35}{100}$$

where–

A is the amount by which the profits for the accounting period in question on which, on the relevant assumption, the Area Board would have borne corporation tax are increased as the result of a relevant event.

(2) In paragraph (1) of this article–

"relevant accounting period" means an accounting period ending before the transfer date in respect of which, on the relevant assumption, the Area Board is liable to pay corporation tax;

"the relevant assumption" means the assumption mentioned in section 89(2)(a) of the Electricity Act 1989.

Time for making further payments

5. Each payment made pursuant to article 4 of this Order shall be made within the period of 28 days beginning with the day on which the Electricity Council certifies that so much of its profits and losses (as ascertained for the purposes of corporation tax) as are relevant for the purpose have been increased as a result of the relevant event.

Interest payments

6. The Secretary of State also hereby directs each Area Board, with each sum paid to the Generating Board pursuant to article 4 of this Order to pay to the Generating Board interest on that sum for the period commencing on the transfer date and ending on the date of actual payment at the rate provided for by regulations made under section 178 of the Finance Act 1989**(a)** for the purposes of section 86 of the Taxes Management Act 1970**(b)**.

John Wakeham
Secretary of State for Energy

14th February 1990

(a) 1989 c.26.
(b) 1970 c.9.

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The Area Boards (Payments for Use of Tax Losses) Order 1990

Made - - - -	*14th February 1990*
Laid before Parliament	*16th February 1990*
Coming into force -	*12th March 1990*

The Secretary of State, in exercise of the powers conferred by section 89 of the Electricity Act 1989(a), and of all other enabling powers, hereby makes the following Order:–

Citation and commencement

1. This Order may be cited as the Area Boards (Payments for Use of Tax Losses) Order 1990 and shall come into force on 12th March 1990.

Interpretation

2. In this Order, "relevant event" means any claim, election, application or notice under the Corporation Tax Acts which is made, given, revoked or varied after the date on which this Order comes into force.

Directions to the Area Boards: payments to the Generating Board

3.—(1) The Secretary of State hereby directs each Area Board to pay to the Generating Board the sum specified against the name of the Area Board in the Table.

TABLE

Name of Area Board	*Sum to be paid to Generating Board in £1000*
London Electricity Board	£146,500
South Eastern Electricity Board	£48,700
Southern Electricity Board	£110,700
South Western Electricity Board	£39,000
Eastern Electricity Board	£123,000
East Midlands Electricity Board	£79,800
Midlands Electricity Board	£55,700
South Wales Electricity Board	£22,600
Merseyside and North Wales Electricity Board	£16,400
Yorkshire Electricity Board	£77,800
North Eastern Electricity Board	£60,700
North Western Electricity Board	£49,100

(a) 1989 c.29.