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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
([/government/organisations/hm-revenue-customs](#))

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CIRD61010 - Land Remediation Relief: What is "land in a contaminated state"?: Examples

**This guidance applies to
expenditure incurred on or before 31
March 2009.**

This example should be read together with the guidance in [CIRD61005 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61005\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61005).

Example:

A Ltd acquires a derelict site from an unconnected party, that:

- is contaminated by asbestos from a previous industrial use;
- has an infestation of Japanese knotweed caused by fly-tipping;
- has a shaft dug into the site where machinery was previously installed; and
- has high levels of naturally occurring radon.

A Ltd builds a office building on the site, to prepare the site it carries out work including

- clearing up the asbestos and removing the waste to landfill;
- chemical eradication of the Japanese knotweed;
- filling in the hole; and
- installing a membrane to prevent radon seeping into the new building

A Ltd can claim Land Remediation Relief on the removal of asbestos and Japanese knotweed as these are substances present in or on the land.

A Ltd can claim elect to treat the cost of installing the membrane (including the cost of the membrane) as a revenue expense and claim Land Remediation Relief as it is preventing harm by a substance in the ground.

A Ltd cannot claim Land Remediation Relief on filling in the hole, as there is no substance present causing harm.

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