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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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[Back to contents](#) > [CIRD60000](#) > [CIRD60005](#)

CIRD60010 - Land Remediation Relief: Outline: periods to 31 March 2009

This is an outline of the scheme as it applied for expenditure incurred between 1 April 2001 and 31 March 2009.

Land Remediation Relief is a relief from corporation tax only. It provides a deduction of 100%, plus an additional deduction of 50%, for qualifying expenditure incurred by companies in cleaning up land that was acquired from an unconnected person in a contaminated state.

Land or buildings are “in a contaminated state” where a substance is present that:

- is causing harm or could possibly cause harm, or
- is causing, or is likely to cause, pollution in the groundwater, streams, rivers or coastal waters.

“Harm” includes adverse impact on the health of humans or animals or damage to buildings.

Qualifying expenditure includes the cost of establishing the level of contamination, removing the contamination or containing it so that the possibility of harm is removed. There is, however no relief if the remediation work is not carried out.

Land Remediation Relief is available for both capital and revenue expenditure. However, the company must elect, within two years of the end of the accounting period in which the expenditure is incurred, to treat qualifying capital expenditure as a deduction in computing their taxable profits.

In addition to the deduction for the cost of the land remediation, the company can claim an additional deduction in computing its taxable profits. This additional deduction is 50% of their qualifying expenditure.

A company that makes a loss can surrender that part of the loss that is attributable to Land Remediation Relief in return for a cash payment (a tax credit) from the Government. A claim for a Land Remediation Tax Credit must be made in a CT self-assessment or amended self-assessment.

A company can claim the additional deduction at any time within 6 years of the end of the accounting period in which the qualifying expenditure is incurred.

This is only an outline of the scheme. More detailed guidance on Land Remediation Relief for the period 1 April 2001 to 31 March 2009 is at [CIRD60050 \(https://www.gov.uk/hmrc-internal-](https://www.gov.uk/hmrc-internal-CIRD60050)

[manuals/corporate-intangibles-research-and-development-manual/cird60050](#)) onwards.

→ **Next page**
(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird60015)



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