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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD61275 - Land Remediation Relief: What is “land in a contaminated state”?: Evidence for Industrial activity - examples

This section applies to expenditure
incurred on or after 1 April 2009

This section sets out some examples of how
HMRC approach the evidence for industrial
activity.

Example:

"A Ltd acquires a plot of land with a view to re-development. The desk study shows that there is a potential hazard from lead contamination from previous industrial use on the site. A Ltd carries out further work and establishes that the level of lead contamination exceeds the soil guideline value (see [CIRD61335 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61335\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61335)) for the proposed land use."

"HMRC accept that the contamination in this case is from industrial activity."

Example

"B Ltd is carrying out repairs on its premises. It discovers the presence of chemical contamination. It establishes that it does not arise naturally in that soil type. From historic maps and local history records, it establishes that that the site was previously used to dispose of industrial waste by a company whose processes produce contamination of that type, as shown in the DoE Industry profile."

"HMRC accept that the contamination in this case is from industrial activity."

Example:

"C Ltd acquires a site with significant levels of sulphate. The desk study shows that the site rests on rock strata rich in sulphate. The previous activity on the site was not one associated with sulphate pollution."

"The contamination is present as a result of the underlying rock, not as a result of industrial activity. C Ltd cannot claim Land Remediation Relief."

Example:

"D Ltd acquires a site with significant levels of sulphate. The desk study shows that the underlying geology is unlikely to be the source. Further work shows that the site had been used as a dump for rubble from a 1930s housing development. The rubble includes plaster which is found to be rich in sulphate. To deal with the problem, D Ltd uses a higher grade of cement in line with the British Standard applying at that time."

"As the contamination is present as a result of industrial activity, Company D can claim Land Remediation Relief on the additional costs incurred (if the other conditions are satisfied)."

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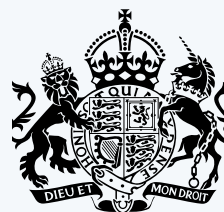
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