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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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## CIRD61030 - Land Remediation Relief: What is "land in a contaminated state"?: Voids and spaces

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

FA01/Sch22/Para4 (3)(b)

Expenditure on filling in a void or space, or compacting the ground so that it can be built upon, does not qualify for Land Remediation Relief.

This is because the potential harm is not caused by the presence of a substance. The problem is caused by the lack of a substance or the structure of the soil. A void is not a substance in, on or under land which is causing harm.

Expenditure on filling in a hole, created during the remediation process by the removal of contaminated waste, qualifies for Land Remediation Relief where it amounts to restoring the site to its former state (that is to the state pre-contamination).

Expenditure on compacting the soil used to fill a hole, created during the remediation process by the removal of contaminated waste, will only qualify for Land Remediation Relief where it restores the site to its former state (that is to the state pre-contamination).

Compaction to a higher standard to enable construction to take place on the site does not qualify as it does not restore the site and the expenditure would have been incurred whether or not the site had been contaminated.

### **Example:**

“A pipe carrying waste material passes under a piece of ground used as the work’s lorry park. Over the years the movement of the heavy lorries causes a small but continuous leak so that the ground around the pipe becomes contaminated.”

“The works close and A Ltd buys the site for re-development. A Ltd digs up the lorry park and removes the contamination. A Ltd then fills the hole, finishing off with a layer of topsoil.”

“In addition to the cost of removing the contamination, A Ltd can claim Land

Remediation Relief on the cost of filling in the hole as a cost of restoration. A Ltd cannot claim Land Remediation Relief on the cost of importing topsoil as this was a cost of the development and would have been incurred whether or not the site was in a contaminated state.”

### Example:

“B Ltd buys a site for re-development. The previous structures have been demolished, but a number of pits remain, where there were previously cellars or small tanks. B Ltd fills the pits in and levels the ground before starting to build on the site.”

“B Ltd cannot claim Land Remediation Relief. The land was not in a contaminated state; it was simply that there was a hole in the ground.”

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