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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD61425 - Land Remediation Relief: What is "land in a contaminated state"? Natural contaminants: Radon - examples

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

This section looks at examples of how work on minimising the threat from radon qualifies for Land Remediation Relief. This should be read together with the guidance at [CIRD61420](#)
(<https://www.gov.uk/hmrc-internal-manuals/corporate->

[intangibles-research-and-development-manual/cird61420](#)).

Example:

“A developer is building a housing estate. Because the levels of radon are above the Action Level for domestic premises, the developer decides to install a continuous membrane to act as a barrier to radon. See below [CIRD61505 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61505\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61505) for more information on membrane and cover systems.”

“Land Remediation Relief is available on the costs of installing the membrane (including the cost of the membrane itself).”

Example:

“A Ltd identifies a market for new office space and decides to build an office building. As part of the development, it carries out tests for radon. These show that the level will be above the Action Level for workplaces and the company decides to install a radon sump with extractor fan to control the level of radon in the building. As planned the company sell the building on completion.”

“The company can claim Land Remediation Relief on the installation of the radon sump.”

“In this example, A Ltd incurred revenue expenditure. Had the company built the property with the intention of letting the office space, then this would have been capital expenditure. If the expenditure is capital expenditure then A Ltd has to consider whether any of the expenditure qualified for capital allowances. Expenditure that qualifies for Capital Allowances does not attract LRR.”

To take another look at the example above:

“A Ltd identifies a market for new office space and decides to build an office building. As part of the development, it carries out tests for radon. These show that the level will be above the Action Level for workplaces and the company decides to install a radon sump with extractor fan to control the level of radon in the building. A Ltd then lets the office space as part of its UK property business.”

“The radon sump with extractor fan is a form of powered system of ventilation qualifying for capital allowances as an integral feature (CAA01/S33A). As the expenditure qualifies for capital allowances, A Ltd cannot claim Land Remediation Relief (see [CIRD60065](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird60065) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird60065>)).”

“For guidance on other gases present in the ground see [CIRD61540](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61540) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird61540>).”

For guidance on integral features see the Capital Allowances manual at CA22300 onwards.

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