

# Contaminated and Derelict Land Remediation Relief



## Have you acquired either contaminated or derelict land for the purposes of your trade or UK property business?

## Have you incurred expenditure on remediating this contaminated or derelict land?

If so, Wilson Wright has a team of experts able to assist corporate clients to take advantage of certain reliefs which could result in either a significant reduction of corporation tax or a cash payment from HMRC.

We can advise on the eligibility of the expenditure and help ensure claims and elections are properly made.

Land Remediation Relief can provide additional tax relief in all commercial property sectors, where a company is subject to UK corporation tax. Unlike other reliefs, it is available to both property investors and developers.

Upon election, tax relief is available in the form of an additional deduction in computing the profits of the company's trade or UK property business, in the case of an owner occupier/landlord at a rate of 150%, or in the case of a developer at a rate of 50%.

The relief is also available to non-resident landlord companies from 1 April 2020.

If a company is loss making, upon making a claim, the enhanced deduction may be surrendered for a 16% repayable tax credit, which equates to up to 24% of actual expenditure.

Retrospective elections and claims for relief may be made as long as they are made within two years of the end of the accounting period in which the expenditure was incurred.

**Contaminated land** - Land or buildings are considered to be in a contaminated state if there is contamination present as a result of industrial or construction activities which is causing, or could cause, harm to humans, animals or to buildings. Common examples of qualifying contamination are as follows:

- Asbestos
- Japanese Knotweed
- Sulphate contamination in soil/concrete
- Hydrocarbon contamination

**Derelict land** – Land is in a derelict state if it cannot be put to productive use without the removal of buildings or other structures.

The land must have been derelict throughout the period beginning with the date the land was acquired, or 1 April 1998 if earlier. Common examples of derelict land remedial works include the following:

- Removal of post-tensioned concrete
- Removal of redundant below ground services and concrete foundations

## Other conditions

- The land must not be contaminated as a result of actions of the claimant.
- The expenditure cannot be subsidised.
- The claimant company must have a major interest in the land (freehold or lease with a minimum term of 7 years).
- The land must be situated in the UK.

## For further advice

The relief is generous, and any claims should be properly made as they are likely to be scrutinised by HMRC.

**To find out more about what they can do for you, visit: [wilsonwright.com](http://wilsonwright.com) or call 020 7832 0444**



## MEET THE TEAM

If you require further information or guidance on any of the matters in this guide, do not hesitate to contact the Wilson Wright team.

For full details of our services please visit [wilsonwright.com](http://wilsonwright.com) or call 020 7832 0444.



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