

TAX TALK

Welcome to our monthly Tax Talk email!

Introduced by our Head of R&D Technical Operations, Nigel Holmes, Tax Talk offers a deep-dive view on different topics throughout the year.

About a year ago Catax introduced a fourth service to our clients, Remediation of Contaminated Land Tax Relief, often also known as Land Remediation Relief. This month's TaxTalk provides a simple overview of the relief.

Remediation of Contaminated Land tax relief is a Corporation Tax Relief which provides an additional 50% relief for company land and property owners (and certain leaseholders) when either:

- Removing or treating a harmful contaminant within the land or property or
- For bringing long term derelict land back into use (derelict since at least April 1998)

It is the contaminated land aspect of the relief that is most popular.

The land can be being used for any purpose – residential or commercial. The relief, therefore, can be claimed by:

- Companies with land or property used in their business
- Properties held for rental and investment
- Properties being developed such as housing

The polluter cannot claim, this means a company cannot obtain the enhanced relief by rectifying a contaminant they caused, and the contaminant must be caused by industrial activity, with the exception of arsenic, radon or Japanese Knotweed.

Common qualifying projects include:

- The professional removal of Japanese Knotweed (taking it to general landfill does not qualify)
- The removal of asbestos
- The removal of underground fuel tanks from land used as a filling station previously

- The use of membranes to prevent gases underground escaping into property

Costs that can be claimed include the subcontractor services and materials used. Staff costs can also be claimed but such services are usually outsourced to subcontractors for this specialist work.

Loss-making companies can also claim a repayable credit of 16% in return for surrendering the loss created by the relief.

This is a very simple overview of the relief and as with all tax reliefs, each case is different and expert help should be sought in each case.

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