



Corporation Tax Act 2009

2009 CHAPTER 4

PART 14

REMEDICATION OF CONTAMINATED LAND

CHAPTER 1

INTRODUCTION

Introductory

1143 Overview of Part

- (1) This Part provides for corporation tax relief for expenditure on land in the United Kingdom, where the expenditure is incurred for the purpose of remedying contamination of the land.
- (2) The reliefs available under Chapter 2 are—
 - (a) a deduction in calculating the profits of a UK property business or a trade carried on by a company for expenditure which is capital expenditure, and
 - (b) an additional deduction for expenditure which is allowed as a deduction in calculating the profits of such a business or trade.
- (3) Chapter 3 provides for the payment of tax credits (“land remediation tax credits”) where a company—
 - (a) obtains relief under Chapter 2, and
 - (b) makes a loss in a UK property business or a trade.
- (4) Chapter 4 contains provision about—
 - (a) the relief available to a company which carries on life assurance business, and
 - (b) the payment of tax credits (“life assurance company tax credits”) to such a company.

Status: This is the original version (as it was originally enacted).

- (5) Chapter 5 contains an anti-avoidance provision dealing with artificially inflated claims for relief under this Part or tax credits.
- (6) Chapter 6 contains supplementary provision, including definitions.
- (7) For information about the procedure for making claims under this Part see Schedule 18 to FA 1998, in particular Part 9B (claims relating to remediation of contaminated land) of that Schedule.

Basic definitions

1144 “Qualifying land remediation expenditure”

- (1) For the purposes of this Part a company’s “qualifying land remediation expenditure” means expenditure incurred by it in relation to which each of conditions A to E is met.
- (2) Condition A is that it is expenditure on land all or part of which is in a contaminated state (see section 1145).
- (3) Condition B is that the expenditure would not have been incurred if the land had not been in a contaminated state.
- (4) Condition C is that it is expenditure on relevant land remediation undertaken by the company itself or on its behalf (see section 1146).
- (5) Condition D is that the expenditure is—
 - (a) incurred on staffing costs (see section 1170),
 - (b) incurred on materials (see section 1172), or
 - (c) qualifying expenditure on sub-contracted land remediation (see sections 1174 to 1176).
- (6) Condition E is that the expenditure is not subsidised (see section 1177).
- (7) See also section 1173 for provision about some cases in which condition B is treated as met.

1145 Land “in a contaminated state”

- (1) For the purposes of this Part land is in a contaminated state if (and only if) it is in such a condition, because of substances in, on or under the land, that—
 - (a) harm is being caused or there is the possibility of harm being caused, or
 - (b) pollution of controlled waters is being, or is likely to be, caused.
- (2) For the purposes of this Part a nuclear site is not land in a contaminated state.
- (3) “Nuclear site” means—
 - (a) any site in respect of which a nuclear site licence is for the time being in force, or
 - (b) any site in respect of which, after the revocation or surrender of a nuclear site licence, the period of responsibility of the licensee has not yet come to an end.
- (4) In subsection (3) “nuclear site licence”, “licensee” and “period of responsibility” have the same meaning as in the Nuclear Installations Act 1965 (c. 57).

1146 “Relevant land remediation”

- (1) For the purposes of this Part “relevant land remediation”, in relation to land acquired by a company, means—
 - (a) activities in relation to which conditions A and B are met, and
 - (b) if there are such activities, relevant preparatory activity.
- (2) Condition A is that the activities comprise the doing of any works, the carrying out of any operations or the taking of any steps in relation to—
 - (a) the land in question,
 - (b) any controlled waters affected by that land, or
 - (c) any land adjoining or adjacent to that land.
- (3) Condition B is that the purpose of the activities is—
 - (a) to prevent or minimise, or remedy or mitigate the effects of, any harm, or any pollution of controlled waters, by virtue of which the land is in a contaminated state, or
 - (b) to restore the land or waters to their former state.
- (4) For the purposes of subsection (1)(b) “relevant preparatory activity” means activity—
 - (a) which comprises the doing of anything for the purpose of assessing the condition of—
 - (i) the land in question,
 - (ii) any controlled waters affected by that land, or
 - (iii) any land adjoining or adjacent to that land, and
 - (b) which is connected to such activities within subsection (1)(a) as are undertaken by the company itself or on its behalf.
- (5) For the purposes of this section controlled waters are “affected by” land in a contaminated state if (and only if) the land in question is in such a condition, because of substances in, on or under the land, that pollution of those waters is being, or is likely to be, caused.