



# Barlow Andrews

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## Cash from H M Revenue & Customs for Cleaning Up

Under certain conditions, companies that have bought contaminated land and spent thousands of pounds cleaning it before using it in their business can claim £1.50 tax relief for every £1 spent.

The relief therefore applies to property development and property investment companies as well as companies that have purchased land for use in their own trade.

This tax relief can result in either lower corporation tax payable or, if there is an overall loss, cash back from the Chancellor of up to 16% of the qualifying loss.

For example, if you spent £100,000 on cleaning up contaminated land you could either claim corporation tax relief against other profits of £150,000 or, in certain cases, cash back of £24,000.

Common examples of contamination include:

- asbestos;
- fuel tanks and the associated elements
- polycyclic aromatic hydrocarbons;
- diesel range organic compounds;
- total petroleum hydrocarbons;
- sulphurous materials;
- heavy metals:
- arsenic;
- lead, copper, zinc;
- radioactive gas, radon.

It may also not be too late to make a claim. The deadline to get the cash back or claim the extra 50% relief is two years from the end of the accounting period in which the expenditure was incurred.

From 1 April 2009, Alistair Darling is due to extend this tax relief to include expenditure on derelict land and the removal of Japanese Knotweed.

If you would like to know whether you can qualify for this tax relief, please contact Mark Sheen at [mrcs@barlow-andrews.co.uk](mailto:mrcs@barlow-andrews.co.uk) or Tim Lwin at [tl@barlow-andrews.co.uk](mailto:tl@barlow-andrews.co.uk).