

## Tax Relief for Brownfield Development

In today's climate it is good news that cuts to capital allowances announced in the June 2010 emergency budget do not affect brownfield tax relief, this relief includes:

- 150% corporation tax relief on cleaning up contaminated land, including removing Japanese Knotweed;
- Until April 2012, landfill tax exemption on cleaning up contaminated land;
- 150% corporation tax relief on specific clean up works on derelict land.

Currently there is an exemption from landfill tax for contaminated material. However this is being phased out in order to discourage continued use of landfill. The relief is only available to those already registered with HMRC and only for waste disposed of at landfill before 1 April 2012.

Expenditure qualifies for Land Remediation Relief if:

- It is carried out in relation to land all or part of which is contaminated and would not have been incurred if the land had not been contaminated;
- The purpose was preventing, mitigating, or remedying the effects of any relevant harm by reason of which the land is contaminated.

The activities include undertaking operations in relation to the contaminated land, any controlled waters affected by that land, or any adjoining land. It can also include preparatory assessments, but only if the works are carried out. The relief is extended to Japanese Knotweed, if treated on site, provided that it was present when the land was acquired or reasonable steps have been taken to control any subsequent infestation.

The relief is also available to land classified as derelict on the National Land Use Database or the Scottish Vacant and Derelict Land Survey. Qualifying expenditure includes: removal of post tensioned concrete heavyweight construction, building foundations and machinery bases, reinforced concrete pile caps and basements; below ground demolition of redundant services; and related fees.

Relief Available		
Issue	Qualifying Expenditure	Notes
Contaminated land	Income or capital expenditure on decontaminating land	Land must have been contaminated when acquired
Japanese knotweed	capital expenditure on removing	Not available if knotweed removed to landfill
Derelict land	Income or capital expenditure on specified types of work	Land must have been derelict since 1 April 1998 and when acquired

The above are, of course, just "edited highlights", designed solely to create awareness and are not for guidance. If you would like to discuss either the issues raised or a specific project please contact me, Peter George either on 077 6523 2995 or at [pdg@gosolve.co.uk](mailto:pdg@gosolve.co.uk)