

SCHEDULES

SCHEDULE 22

REMEDIATION OF CONTAMINATED LAND

PART 1

DEDUCTION FOR CAPITAL EXPENDITURE

Deduction for capital expenditure

- 1 (1) This paragraph applies if—
 - (a) land in the United Kingdom is, or has been, acquired by a company for the purposes of a trade carried on by the company,
 - (b) at the time of acquisition all or part of the land is or was in a contaminated state (see paragraph 3), and
 - (c) the company incurs capital expenditure which is qualifying land remediation expenditure in respect of the land (see paragraph 2).
- (2) For the purposes of corporation tax such capital expenditure as is qualifying land remediation expenditure shall (if the company so elects) be allowed as a deduction in computing the profits of the trade for the accounting period in which that expenditure is incurred.
- (3) For the purposes of sub-paragraph (2) any capital expenditure incurred for the purposes of a trade by a company about to carry it on shall be treated as if it had been incurred by that company on the first day on which it does carry it on and in the course of doing so.
- (4) Sub-paragraph (2) shall not apply to so much of the qualifying land remediation expenditure as—
 - (a) represents expenditure which has been allowed as a deduction in computing the profits arising from the trade for any accounting period preceding the period in which the expenditure is incurred, or
 - (b) represents capital expenditure in respect of which an allowance has been, or may be, made under the enactments relating to capital allowances.
- (5) A company is not entitled to a deduction under this paragraph in respect of expenditure on land all or part of which is in a contaminated state, if the land is in that state wholly or partly as a result of any thing done or omitted to be done at any time by the company or a person with a relevant connection to the company.
- (6) An election under this paragraph must specify the accounting period in respect of which it is made.
- (7) The election must be made by notice in writing to the Inland Revenue.

Status: This is the original version (as it was originally enacted).

- (8) The notice must be given before the end of the period of two years beginning with the end of the company's accounting period to which the election relates.