

# Research Question Solution

The cost incurred by Alpha Petroleum to refine the contaminated soil may be capitalized. Treatment for the leakage that resulted from the gas station's underground gasoline storage tanks will result in a cost of \$300,000, but will be recovered when a major retailer completes the current purchase of the land. Environmental treatment costs may be capitalized when such costs will be recovered and are incurred to prepare property that is currently being held for sale. (FASB, 2013, ASC para. 410-30-25-18(c))

ASC para. 410-30-55-25 is not primary. If used, ASC para. 410-30-25-18(c) must also be included.