

Montgomery Planning Historic Preservation Office

### An Introduction to County Historic Preservation Tax Credits

Michael Kyne | Historic Preservation Planner Coordinator michael.kyne@montgomeryplanning.org | (301) 563-3403



# What is the Montgomery County Historic Preservation Tax Credit?

- 25% tax credit of documented expenses for <u>exterior</u> maintenance, restoration, or preservation work exceeding \$1,000.
- Credit is applied against County property taxes. •

### An Introduction to County Historic Preservation Tax Credits





# Eligibility Requirements

- Work must be exterior in nature only; Interior work is **NOT** eligible!
- Work must be performed by a licensed contractor;
- Work must be certified by the Historic Preservation Commission (HPC) as contributing to the restoration or preservation of sites and districts on the Master Plan for Historic Preservation:
  - Work requiring a Historic Area Work Permit (HAWP) must have received approval from the HPC.
  - Ordinary maintenance expenses must exceed \$1,000.

#### An Introduction to County Historic Preservation Tax Credits

### So what's allowed?

Examples of eligible projects (but not limited to):

**Exterior** painting

Window rehabilitation

Roof repairs or in-kind replacement

Repairing architectural trim or ornamentation

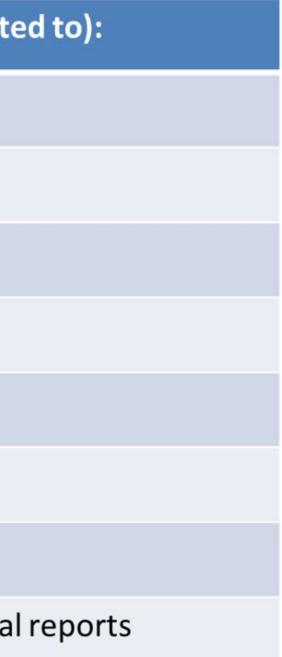
Repairing outbuildings (garages)

Original siding rehabilitation

Repointing brick or stone foundations or chimneys

Professional services, such as design fees and structural reports

#### An Introduction to County Historic Preservation Tax Credits



### What's not allowed?

#### Examples of ineligible projects (but not limited to):

New construction or a new addition

Repaving driveways

Work requiring an approved HAWP completed without the approval of the HPC

Interior work

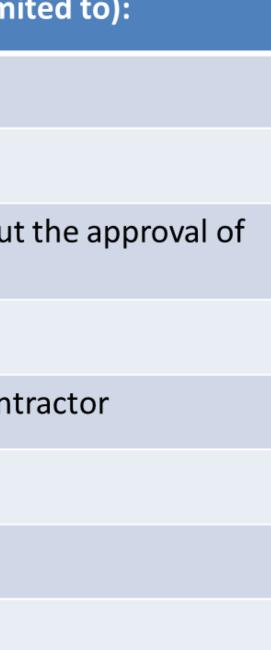
The value of labor unless performed by a licensed contractor

Landscaping

Repairing mechanical equipment

Tool and equipment purchases

### An Introduction to County Historic Preservation Tax Credits



### Application Requirements

Step 1: Complete Application and Receipts Transmittal Form;

- Step 2: Description of the work that was done:
  - General property description;
  - Explanation of what rehabilitation/maintenance problems you are trying to resolve;
- Step 3: Proof of Payment:
  - Itemized receipts that are clearly marked and separated from any non-eligible expenses;

Step 4: Before and After Photos.

#### An Introduction to County Historic Preservation Tax Credits





### Online Application

- Applications are now available online!
  - The County's tax credit application can now be filled out and submitted electronically.
  - Electronic submissions are preferred; however, paper applications are still being accepted.
  - Electronic applications are available on our website.



### An Introduction to County Historic Preservation Tax Credits

Application f	or Histo
---------------	----------

Owner's Name	
Wher's Mailing Add	
wner's Mailing Address	
dress where the work was completed	
None Number	
Add	
The property in the	
The property is listed in the Martin a	
The property is listed in the Master Plan for Historic Preservation as: Site Name or Historic District:	
In ave you applied for or did this project receive a Historic Area Work Permit? Yes If so, please attach a copy of your approval memo from the Historic Preservation Office or the Department of Permitting Services. Did you apply for or did this project receive a Maryland state or federal historic preservation tax credit? Yes No If so, please attach a copy of your complete application	No
ordance with Chapter 52, Article VI, of the Montgomery County Code, I request a credit to y county property taxes for the following work: Restoration and preservation work at an individually designated historic site or an oric resource within an historic district that was the subject of an approved Historic Area oric resource within an historic district that was the subject of an approved Historic Area oric resource within an historic site or historic resource within an historic district the amount expended exceeds \$1,000. The attached guidance on how to apply and the Helpful Guidance and Tips for Complete addit. Packages; have completed my application package including all attachments; and manual signed the Receipts Transmittal Form.	
Date to use the electronic signature field, please make sure that you are using <u>Adobe</u> ete the form.	
Adobe	

# Timing and Deadlines

- The credit is applied to County property taxes the year after the work is completed.
- Applications are due to the Historic Preservation Office on **April 1<sup>st</sup>** following the year in which the work was completed.
- Applications are reviewed by the HPC during the spring/summer of that calendar year.
- Approved tax credits are applied to tax bills issued to property owners later in the year.
- Unused portions of the tax credit can be carried over for up to five years.

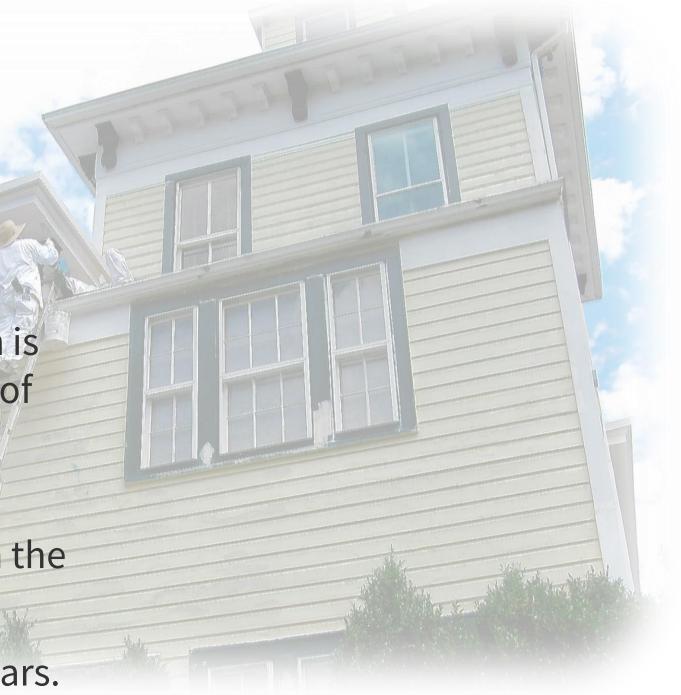
### An Introduction to County Historic Preservation Tax Credits



### Example

- An owner of a County-designated historic property completes a painting project in October 2020.
- The property owner submits a complete Historic Preservation Tax Credit application by the deadline of April 1, 2021.
- HP staff reviews the application and recommends approval of all eligible expenses.
- The HPC agrees with staff's recommendations, and the application is forwarded to the County Department of Finance at the conclusion of the tax credit review period.
- The County Department of Finance adjusts the applicant's 2021 property taxes for 25% of the eligible expenses, in accordance with the HPC's decision
- Any unused portion of the tax credit is carried over for up to five years.

### An Introduction to County Historic Preservation Tax Credits



### Information & Resources

Please visit our website at the link below for additional information and resources, including the new online application:

<u>http://montgomeryplanning.org/planning/historic/tax-credit-program/</u>

#### An Introduction to County Historic Preservation Tax Credits

### Questions?

#### An Introduction to County Historic Preservation Tax Credits