



THE MONTGOMERY COUNTY HISTORIC PRESERVATION TAX CREDIT

To encourage the restoration and preservation of privately owned structures designated on the Master Plan for Historic Preservation, either individually or within an historic district, the Montgomery County Council in 1984 passed legislation providing for a tax credit against County real property taxes (Chapter 52, Article VI, *as amended*). The tax credit is for 25 percent of documented expenses for exterior maintenance, restoration, or preservation work. The work must be certified eligible by the Historic Preservation Commission (HPC).

ELIGIBLE WORK MUST MEET ALL OF THE FOLLOWING CRITERIA:

1. All proposed work is exterior in nature
2. All proposed work was performed by a licensed contractor
3. All proposed work must be certified by the HPC as contributing to the restoration or preservation of sites listed on the Master Plan for Historic Preservation either individually or within an historic district:
 - a. Proposed work requiring a Historic Area Work Permit (HAWP) must have received prior Historic Preservation Commission approval for a HAWP; **OR**
 - b. Proposed work entailing ordinary maintenance must exceed \$1000 in expenses and be subsequently certified as being consistent with the purposes of Chapter 24A, the County's historic preservation ordinance, at the time the HPC reviews the tax credit application

THE TAX CREDIT IS ALLOWABLE FOR:

Eligible work includes qualified repairs, restoration, or preservation of exterior features of designated structures. Examples of eligible projects would include (but not be limited to):

- Painting
- Restoring a documented feature such as a porch that was previously altered or removed
- Repairing roofs or replacing them in-kind
- Repairing or restoring windows
- Repairing architectural trim or ornament
- Repairing and maintaining outbuildings, such as barns and garages
- Uncovering and repairing original siding
- Repointing brick or stone foundations or chimneys
- Professional services, such as design fees and structural reports

THE TAX CREDIT IS NOT ALLOWABLE FOR:

Examples of ineligible expenditures include:

- New construction or a new addition to an historic building
- 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
- Tree removal (unless the tree touches the house or threatens structural integrity)
- Replacing features, such as windows, with new features that are not identical in design, dimensions, materials, and/or location
- Repairing mechanical equipment
- Tool and equipment purchases
- Fence Work

TIMING/DEADLINES: The tax credit application deadline is April 1.

Tax credit applications for work in a specific calendar year are reviewed by the HPC during the following spring of that calendar year and the approved tax credit is applied to tax bills received by property owners later that year.

Any unused portion of this tax credit may be carried forward for as many as five years. If the property is subsequently removed from the Master Plan for Historic Preservation, any unused portion of the tax credit would immediately lapse. A property not listed on the Master Plan for Historic Preservation at the time the work is undertaken is not eligible for the preservation tax credit.

HOW TO APPLY: APPLICATIONS NOW AVAILABLE ONLINE!

1. **Download and complete the Application for Historic Preservation Tax Credit.** Do not forget to sign the Receipts Transmittal Form on Page 3 of the application. Remember: Expenditures must be clearly listed on the Receipts Transmittal Form, described accurately, and keyed to digital scans of the receipts. The entire application can be completed and signed electronically.
2. **Please provide a short narrative describing the work that was done for the credit on Page 2 of the application.** Include in your description the following information:
 - a. Very briefly describe your property. (Example: 1920s bungalow with a 1960s garage and 1980s porch addition). Include a front façade photo of the property as well as an overall photo of the area in which work was completed.
 - b. What portion of the property does this project affect? (Ex: worked on the side porch, located on the north façade of the house)
 - c. What rehabilitation/maintenance problem were you trying to solve? (i.e. roof leaking, paint failing, etc.)
 - d. What materials or design were in place before you undertook the project? (The term *design* refers to the dimensions or location of a feature. For example, your windows had one inch muntins and you repaired them with new one inch muntins with wood in-kind. The size of the muntin and the profile are *design* features characteristic of your house/structure. Or, you repaired your board and batten garage with new boards of the exact same dimensions. This preserved the garage's integrity of *design*).
 - e. What materials or design are currently in place after you completed the project?
 - f. Did you attempt to restore a missing feature that was in place historically? If so, what types of documentation did you use to accomplish this? (Examples of acceptable documentation include historic photographs, historic letters or diary entries, evidence uncovered on the building itself, and other primary source documentation).
 - g. **(Optional Question)** Did this approach solve the rehabilitation problem? (Note: answering this question allows us to better serve our preservation consumers. Consider helping other homeowners out by giving us an honest assessment of what you did and whether you might do it differently in the future. A negative experience WILL NOT prevent you from receiving the county historic preservation tax credit).
 - h. If your project has more than one major rehabilitation effort, then include a narrative for each rehabilitation effort. Include Before and After photos for each project(s).

REMEMBER: your application must be clear regarding what you did, why you did it, to what portion of the property, what materials or design was there before, and what is there now.

3. **Provide proof of payment.** Proof of payment must be documented by digital scans of receipts marked paid by the contractor who completed the work and received payment, or by digital scans of cancelled checks to the contractor. Please also include digital scans of the proposal and scope of work that was done at your site from the contractor who completed the work. A cancelled check without a description of the work done by the contractor is **not** sufficient information.
4. **Receipts must be itemized** so that eligible exterior expenses are clearly marked and separated from any non-eligible exterior expenses. If your receipt shows one price for a project that also included interior work or new construction, have your contractor separate these costs from eligible exterior expenses. Expenditures must be clearly listed in the Receipts Transmittal Form, described accurately, and keyed to the digital scans of the receipts.
5. **Include digital photographs** of the front of your property and of the work that you are applying for with the credit. Please include photos **BEFORE** you undertook the work and **AFTER** you undertook the work. Please accurately label or name all photos, so that it is clear what is being viewed.
6. **Applications must be submitted via email to MCP-Historic@montgomeryplanning.org by April 1.** Submissions must include:
 - a. **a complete Application for Historic Preservation Tax Credit (application, narrative, and receipts transmittal form);**
 - b. **digital scans of receipts and/or cancelled checks; and,**
 - c. **digital before and after photographs.**
7. If you prefer to submit hard copies of your application, please print the complete application and attachments and file them with the Historic Preservation Commission at the following address:

Montgomery County HPC
attn: Tax Credit Staff
2425 Reddie Drive Fl 13
Wheaton, MD 20902

Hard copies must be postmarked by April 1.

If you require confirmation that your hard copy submissions have been received by our office please send via certified mail with a return receipt request. If you have any questions, please contact Historic Preservation staff at 301.563.3400.

HELPFUL GUIDANCE AND TIPS FOR COMPLETE TAX CREDIT PACKAGES

1. Contact the historic preservation office as soon as you contemplate undertaking a county historic preservation tax credit project. We are happy to help guide you through the process and give you advice regarding preservation contractors, good historic preservation practice, and the general benefit of our expertise. You may also want to access our [historic preservation design guidelines](#). These guidelines can give you much information about good historic preservation practice.
2. The twenty-five percent County Historic Preservation Tax Credit is intended for projects that fall into the category of ordinary maintenance. Ordinary maintenance is defined as "work on a historic site or an historic resource within a historic district which does not alter in any way the exterior features of the subject property, including the architectural style, design, and general arrangement of the exterior, as well as the nature, texture, details, and dimensions of building materials, windows, doors, siding, etc. This definition applies, whenever appropriate, to the appurtenances and environmental setting of an historic site or resource, as well as to the building, structure, or object itself."
3. Some projects that fall outside the purview of ordinary maintenance can be considered. These projects will have received a Historic Area Work Permit (HAWP) from the Montgomery County Historic Preservation Office **before** the work was initiated. No tax credits will be given to projects that did not go through the HAWP process. This guideline does not apply to projects that meet the definition of ordinary maintenance. If you need clarification on whether your project should receive a HAWP, please contact the Montgomery County Preservation Staff at 301-563-3400.
4. Where original historic or non-historic materials or design was faulty, and the maintenance or protection of the property is in question, then on a case-by-case basis, the HPC may choose to grant a county tax credit for all or a portion of rehabilitation work done to stabilize a property. The work must have received a Historic Area Work Permit prior to project initiation and must use compatible materials or design.

Example: A 1960s brick garage addition was constructed on the back of a 1920s Colonial Revival House. This garage has a roll top door that has leaked nearly since its installation, resulting in moisture problems on the rear of the house. The applicant applies for and receives a HAWP to brick-in the garage. Some elements of this work would be considered tax credit eligible, because the project will seal the building envelope and prevent structural damage due to water infiltration. Therefore, the applicant should request a tax credit for the project and carefully price out each work item.

5. Projects that restore a historic portion of a property to its original appearance using acceptable documentation, i.e. historic photographs, forensic evidence on the building itself, drawings/paintings, or diary entries, to name a few sources, may be considered eligible.

Example: In the 1980s, a homeowner replaced original wood windows with vinyl windows, which are failing — not even twenty years later. The current owner wishes to restore the original wood windows using old photos and an original window which was moved to the rear of the property on an enclosed porch addition. The owner would get a HAWP, initiate work, and then apply for the credit.

6. Alternately, work that replaces a historic feature, while approved for a HAWP, may not meet eligibility for a preservation tax credit. This is especially true when the new feature differs from the original in

materials or design.

Example: A one-story porch addition to a contributing bungalow is taken down and a two-story frame addition with a new deck is placed on the rear of the property. This work received a HAWP but is not tax credit eligible. It does not restore a historic feature to the property and is not needed to prevent damage to the historic structure. The work was perfectly appropriate and met all of the HPC guidelines, yet it does not meet tax credit guidelines.

7. Replacement of historic or non-historic features must be completed in-kind, i.e. wood to wood, slate to slate. Introduction of new materials requires a HAWP and may not be eligible for the credit — unless the new material or design is a restoration to the property's primary period of significance or if the original material was faulty. In either case, the project should still receive a HAWP.
8. When obtaining receipts for work done, make certain to have your contractor price out each element of the job. Some items may not be eligible, and you may lose the entire credit if you fail to provide sufficient information. Remember you may not be available when the credit is processed, and we might not be able to ask you for clarifications, so please be sure and itemize receipts.
9. When purchasing equipment or supplies for a job, please note on the receipt or a separate attachment exactly what the items are and what they were used for in your project. This is only necessary if you purchased items for the contractor and the supplies were used for multiple on-going projects.

Example: A receipt that shows house paint can be clearly explained on the receipts transmittal form. However, on a project in which you replaced wood on several features on the property, it will be necessary to state where the wood was used specifically.

10. Make certain to include a paid-in-full receipt or a cancelled check with your application. Also, be sure to include a proposal or a scope of work from the contractor who completed the work clearly stating what eligible exterior work was done on your property.
11. Again, call us with any questions. We are here to help. 301-563-3400.

Application for Historic Preservation Tax Credit

Owner's Name _____

Owner's Mailing Address _____

Address where the work was completed _____

Daytime Telephone Number _____

Cell Phone number _____

Email Address _____

Property Tax Account Number _____

I. The property is listed in the Master Plan for Historic Preservation as:

Site Name or Historic District: _____

Have you applied for or did this project receive a Historic Area Work Permit? Yes No

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.

II. In accordance with Chapter 52, Article VI, of the Montgomery County Code, I request a credit to my county property taxes for the following work:

Restoration and preservation work at an individually designated historic site or an historic resource within an historic district that was the subject of an approved Historic Area Work Permit (HAWP) and qualifies under Chapter 52, Article VI.

Ordinary Maintenance on a historic site or historic resource within an historic district where the amount expended exceeds \$1,000.

III. I have read the attached guidance on how to apply and the *Helpful Guidance and Tips for Complete Tax Credit Packages*; have completed my application package including all attachments; and have completed and signed the Receipts Transmittal Form.

Signature

Date

If you are unable to use the electronic signature field, please make sure that you are using [Adobe Acrobat](#) to complete the form.

Montgomery County Historic Preservation Tax Credit

Receipts Transmittal Form

Copies of proofs of payment (paid bills, vouchers, receipts) must be attached to this submittal or your application will be incomplete and will not be processed. Itemize expenditures below, keying them to the proof of payment.

Work Item Description	Contractor/Supplier	Amount	Receipt #
Total of Eligible Expenses		\$	

I hereby certify that the attachments hereto are receipts of actual expenditures made in connection with the restoration and preservation of the structure referred to above. I affirm that the facts and matters contained in this transmittal are true and correct to the best of my knowledge.

Owner/Applicant Date

CHECKLIST FOR COMPLETE APPLICATION

Please ensure that you have included the following documents and/or information for a complete application:

Application for Historic Preservation Tax Credit

Narrative

Receipts Transmittal Form

Scans or Copies of Receipts and/or Canceled Checks

Before Photographs

After Photographs