



# 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 a 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 25 percent of documented expenses for exterior maintenance, restoration, or preservation work completed after July 1, 2013. 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 expense 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
- 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

## **TIMING/DEADLINES:**

The tax credit is allowed for the county tax year immediately following the calendar year in which the work or any distinct portion thereof is completed. The tax year is July 1 – June 30 and the application deadline is April 1. In other words, 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:**

1. Complete the Application Form and the Receipts Transmittal Form. Do not forget to sign the receipts transmittal form. Remember: Expenditures must be clearly listed on the Receipts Transmittal Form, described accurately, and keyed to copies of the receipts.
2. Please provide a short narrative describing the work that was done for the credit. 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).

### **Optional Question**

g-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).

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 photocopies of receipts marked paid by the contractor who completed the work and received payment, or by copies of cancelled checks to the contractor. Please also include 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. Include color photos or digital scans in printed form 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 all photos, so that it is clear what is being viewed.
5. 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 copies of the receipts.
6. **Applications must be postmarked by April 1 and include two complete copies of the entire application package.** Both packets should include identical attachments
7. File the tax credit application form and attachments with the Historic Preservation Commission. Montgomery County HPC, 8787 Georgia Avenue, Silver Spring, MD 20910, attn: Tax Credit Staff.
8. If you have any questions, please phone the Historic Preservation staff at 301.563.3400.
9. If you are completing this document electronically in Word, you will need to open the file entitled Tax Credit Application 2008 for the web and Receipts Transmittal Form 2008 for the web. These documents comprise the complete tax credit application package that must be received by this office. A PDF file is also located on the web that can be printed and filled out by hand.

# 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? \_\_\_\_

If so, please enclose 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? \_\_\_\_

If so, please include 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 enclosed guidance on how to apply and the PDF *Helpful Guidance and Tips for Complete Tax Credit Packages*; have completed two copies of my application package including all attachments; and have completed and signed the Receipts Transmittal Form. \_\_\_\_ (initials and date)

