



Montgomery Planning Historic Preservation Office

# An Introduction to County Historic Preservation Tax Credits

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# 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.



# 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.

#### 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

#### 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

## 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;



- Itemized receipts that are clearly marked and separated from any non-eligible expenses;

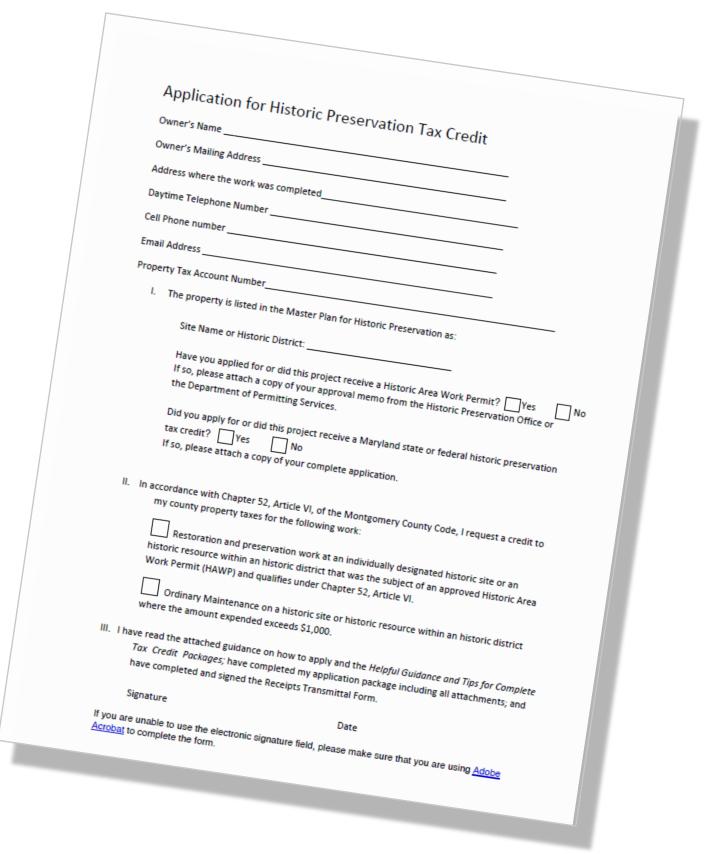
Step 4: Before and After Photos.





## 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.



# 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**st 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.



#### Example

- An owner of a County-designated historic property completes a painting project in October 2019.
- The property owner submits a complete Historic Preservation Tax Credit application by the deadline of April 1, 2020.
- 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 2020 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.



#### Information & Resources

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

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

#### Questions?