

## **HISTORIC DISTRICT TAX CREDITS NOW UP TO 40%**

If your house is a “contributing house” in either the Lutherville National Register or County historic district, **you can now take tax credits worth 40% of expenditures for qualifying rehabilitation work** (the 20% County credit may be combined with the 20% State credit).

**Rehabilitation work must comply with the Secretary of the Interior’s Standards and owners must receive all required approvals before beginning the work.** Below is a brief summary of the available credits:

### **COUNTY HISTORIC TAX CREDIT**

The Baltimore County law provides for a 20% credit for the entire project for projects that exceed \$1,000 to rehab a historic residential property. The credit applied to your taxes in a given year may not be greater than the property tax bill; the unused credit may be carried forward for 10 years and is transferable to new owners.

In order to be eligible for the tax credit the structure must be returned to a state of utility while at the same time preserving significant features of the original site. With residential properties, the credit applies to all qualified interior and exterior rehabilitation, excluding new additions or cosmetic projects like new kitchens or bathrooms.

Owners submit an application to the county’s Office of Planning. If the property is historically eligible, the Landmarks Preservation Commission determines if the work qualifies and will issue an approval to start work. Once the taxpayer completes the work and submits completion forms, the Office of Planning will certify that the work was completed as approved and forward its decision to the Director of Budget and Finance. Within 30 days, the Director of Budget and Finance will notify the taxpayer of the decision.

Links to County tax sites for forms/instructions are:

[http://www.baltimorecountymd.gov/Agencies/planning/historic\\_preservation/tax\\_credit\\_faq.html](http://www.baltimorecountymd.gov/Agencies/planning/historic_preservation/tax_credit_faq.html), or you can get there by following the following links.

Baltimore County Home page [www.baltimorecountymd.gov](http://www.baltimorecountymd.gov) > Construction and Land Use > Planning > Historic Preservation (this is where the phone numbers/contacts are) > County Historic Tax Credits (this is where you find FAQ, Forms, procedures, links to maps/photos).

## **STATE HISTORIC TAX CREDIT**

The State credit returns 20% of your total project cost for qualifying expenditures which exceed \$5000. ***You must receive Maryland Historical Trust's approval of the proposed work prior to starting the work.*** After the project is completed and you submit the proper paperwork which the MHT approves, you will be given a tax credit. The next time you submit your state income tax, the credit will be applied. If your credit exceeds your tax, the balance will be sent to you in a check. Projects which are generally approved include: replacement "in kind" of rotten exteriors of buildings, exterior painting, new roofs/gutters, new furnaces, HVAC, basement waterproofing, foundation re-pointing. The remodeling of kitchens/bathrooms is generally not approved (as opposed to making an obsolete/unusable space usable). If the kitchen were still using a wood burning stove to cook on and an ice chest for refrigeration, it might qualify.

Links to State tax sites for forms/instructions are:

[https://mht.maryland.gov/taxcredits\\_homeowner.shtml](https://mht.maryland.gov/taxcredits_homeowner.shtml),

this link should go directly to the page that has many other links to instructions/forms one need to apply via Parts I & II, and obtain approval via Part III. If not, go to [www.marylandhistorictrust.net](http://www.marylandhistorictrust.net) and click on TAX Credits, then select Maryland Tax Credits.

This brief summary is provided by the Lutherville Advisory Committee (LAC) to the Baltimore County Landmarks Preservation Commission, and is certainly not inclusive. It is intended to help you find the most up to date "official" information. If you need general guidance from LAC members who have been through this process please call Marie Frederick 410-252-1367

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