



# **HISTORIC PROPERTY TAX CREDIT INFORMATION**

**CITY OF GAITHERSBURG  
PLANNING AND CODE ADMINISTRATION  
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GAITHERSBURG, MARYLAND 20877**

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## **MONTGOMERY COUNTY HISTORIC PRESERVATION TAX CREDIT CITY OF GAITHERSBURG INFORMATION SHEET**

In September, 1984, the Montgomery County Council passed legislation providing for a tax credit against County real property taxes in order 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 (Chapter 52, Art. VI). In October, 1989, this legislation was extended to properties within municipalities which regulate historic structures under Maryland Annotated Code Article 66B, 8.01 et seq. The tax credit is ten percent (10%) of documented expenses for exterior maintenance, restoration, or preservation work. The work must be certified eligible by the Historic District Commission (HDC).

### **WORK ELIGIBLE FOR TAX CREDIT MUST MEET THE FOLLOWING CRITERIA:**

1. Be certified by the Historic District Commission (HDC) as contributing to restoration or preservation of sites listed on the *Master Plan for Historic Preservation in Montgomery County*, or on a municipal official zoning map, either individually or as a historic resource located within a historic district. "Non-historic" or "non-contributing" resources in a designated district may also be eligible on a case-by-case basis;
2. Be exterior work only;
3.
  - a. Be undertaken with a previously approved Historic Area Work Permit (HAWP) if alterations that require a HAWP are proposed; or
  - b. Be ordinary maintenance exceeding \$ 1,000 in expense; the work must be subsequently certified (at the time the tax credit application is reviewed by the HDC) as being consistent with the purposes of the City's historic preservation ordinance;
4. Be performed by a licensed contractor.

### **WORK ELIGIBLE FOR THE TAX CREDIT**

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

1. Painting
2. Repairing roofs or replacing them in-kind
3. Repairing or restoring windows
4. Repairing architectural trim or ornament
5. Uncovering and repairing original siding
6. Repointing brick or stone foundations or chimneys
7. Restoring a documented feature such as a dormer or porch that was previously altered or removed
8. Repairing and maintaining outbuildings such as barns and garages

### **WORK NOT ELIGIBLE FOR THE TAX CREDIT**

Examples of ineligible expenditures include:

1. New construction of a structure, or a new addition to an historic building
2. Work requiring an approved HAWP that is completed without the approval of the HDC
3. Interior work
4. The value of labor unless performed by licensed contractor
5. Landscaping
6. Repaving driveways
7. Replacing features (such as windows) with new features that are not identical in size and material, and repairing mechanical equipment
8. Tool and equipment purchases
9. Professional services (design fees, annual pest control, structural reports)

## TIMING/DEADLINES

The tax credit is allowed for the tax year **immediately following the calendar year in which the work or any distinct portion thereof is completed**. The tax year is July 1 to June 30, and the application deadline is always April 1. Tax credit applications for work in a specific calendar year are reviewed by the HDC during the following spring and the approved tax credit is applied to tax bills received by property owners that summer.

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 list of historically designated properties, any unused portion of the tax credit would immediately lapse. A property not historically designated at the time the work is undertaken is not eligible for the preservation tax credit.

## HOW TO APPLY FOR THE TAX CREDIT

1. **Complete the Application Form and the Receipt Transmittal Form.** Include one copy of the following:
  - a) **Proof of payment** which must be shown by photocopies of receipts marked "paid" or by copies of canceled checks. Receipts must be itemized so that eligible exterior expenses are clearly marked and separated from any non-eligible expenses. If your receipt shows one price for a project that also included interior work or new construction, have your contractor break down the eligible expenditures. Expenditures must be clearly listed on the Receipts Transmittal Form, described adequately, and keyed to the copies of the receipts.
  - b) **Clear, print photographs** thoroughly showing the work (before and after) and a photograph of the front of the house. Attach the photographs to a single side of 8 1/2" x 11" paper, labeling the photographs on the front.
2. **Submit one set** of the completed tax credit application and the Receipt Transmittal Form with attachments to the City of Gaithersburg (address below). Applications should be postmarked **by April 1**.

Planning and Code Administration  
31 South Summit Avenue  
Gaithersburg, Maryland 20877

Call the Historic Preservation Staff at 301-258-6330 with any questions.

## ACCEPTANCE OF APPLICATION

The material listed above is required to constitute a **complete** application. Applications will be formally accepted for processing only after staff has reviewed for **completeness**. Applicants will be contacted if additional information is needed.

The Historic District Commission will determine the eligibility of expenditures and send their findings to the Montgomery County Department of Finance for processing. The Director of Finance may require further documentation of the amounts expended as he deems necessary, and may reject all or part of the claimed expenditures for lack of proper documentation. The Director shall notify the applicant of approval or disapproval.

Any taxpayer aggrieved by the decision of the Director of Finance shall have the right to appeal to the Property Tax Assessment Appeal Board for the County.

Any person knowingly transmitting a false or fraudulent application or statement, or withholding information in order to obtain a tax credit under this section shall be subject to punishment as a Class A violation under Section 1-19 of Montgomery County Code.

## HISTORIC PRESERVATION MONTGOMERY COUNTY PROPERTY TAX CREDIT

### CITY OF GAITHERSBURG INFORMATION SHEET

In September, 1984, the Montgomery County Council passed legislation providing for a tax credit against County real property taxes in order to encourage the restoration and preservation of privately owned structures located in the County and designated on the Master Plan for Historic Preservation individually or within a historic district (Chapter 52, Art. VI). In October, 1989, this legislation was extended to properties within municipalities which regulate historic structures under Maryland Annotated Code Article 66B, 8.01 et seq.

#### **Work eligible for tax credit must meet the following criteria:**

1. Be certified by the Historic District Commission (HDC) as contributing to restoration or preservation of sites listed on the Master Plan for Historic Preservation in Montgomery County, or on a municipal official zoning map, either individually or as a historic resource located within a historic district. "Non-historic" or "non-contributing" resources in a designated district may also be eligible on a case-by-case basis.
2. Be exterior work only.
3. Be undertaken with an approved Historic Area Work Permit, or
4. Be ordinary maintenance expenses which exceed \$ 1,000 when such work is certified by the Historic District Commission as having historic, architectural, or cultural value.  
*Note: All structures within a historic district are eligible for preservation tax credits - even new or "non-contributing" structures.*
5. The work was done after September 21, 1979 or, in the case of municipalities, subsequent to the date of historic designation.
6. Work must be performed by a contractor with an approved Maryland State Home Improvement License and a valid license issued by Montgomery County. The Federal Tax Identification number of the contractor must also be provided.

#### **The tax credit shall not be allowed for:**

1. Any new construction including additions to existing buildings.
2. Interior work.
3. Work completed without the approval of the Historic District Commission.
4. The value of labor unless performed by a contractor licensed to do business in the County.

The tax credit shall be 10% of the amount expended and certified by the Historic District Commission as eligible.

The tax credit is allowed for the tax year immediately following the year in which the work or any portion thereof is completed. Any unused portion of this tax credit may be carried forward for as many as five (5) subsequent tax years.

If the property is removed from the Master Plan for Historic Preservation or the municipal official zoning map, any unused portion of the tax credit shall immediately lapse.

**To apply for the credit:**

1. Prior to April 1, preceding the tax year for which a credit is sought to be applied, the application form should be obtained from:

Gaithersburg City Hall  
Planning and Code Administration  
31 South Summit Avenue  
Gaithersburg, Maryland 20877  
Telephone: (301) 258-6330

2. Complete the application form and return to the Planning and Code Administration with documented receipts and photos by April 1.

The Historic District Commission will determine the eligibility of expenditures and send their findings to the Montgomery County Department of Finance for processing. The Director of Finance may require further documentation of the amounts expended as he deems necessary, and may reject all or part of the claimed expenditures for lack of proper documentation. The Director shall notify the applicant of approval or disapproval.

Any taxpayer aggrieved by the decision of the Director of Finance shall have the right to appeal to the Property Tax Assessment Appeal Board for the County.

Any person knowingly transmitting a false or fraudulent application or statement, or withholding information in order to obtain a tax credit under this section shall be subject to punishment as a Class A violation under Section 1-19 of Montgomery County Code.