

## HISTORIC DISTRICT TAX CREDITS NOW UP TO 40%

Older houses generally require more maintenance than newer ones, but older houses in Lutherville are why we have both a National Register Historic District & a Baltimore County Historic District. These designations recognize that these structures are unique and therefore create a unique village. In order to preserve these houses, and at the same time reduce the cost burden or ownership, the government has created tax credits for certain maintenance work required to preserve them.

If your house is a contributing structure in either the Lutherville National Register or County Historic Districts, **you can now take tax credits worth 40% of expenditures for qualifying rehabilitation work** (the new 20% County credit may be combined with the 20% State credit). If you have any question as to whether or not your house is “contributing” or in a “qualified” district, call one of the members of the Lutherville Advisory Committee listed below.

**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:

### **NEW COUNTY HISTORIC TAX CREDIT**

The Baltimore County Council recently approved a 20% credit for expenses that exceed \$1,000 to rehab a historic residential property. The credit granted 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 ensures that it conforms to the U.S. Secretary of the Interior’s standards for rehabilitation. Once the taxpayer completes the work, 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.

### **STATE HISTORIC TAX CREDIT**

The State credit returns 20% of qualifying expenditures on work of \$5000 or more. PLEASE NOTE: *rehabilitation expenditures for work that is undertaken prior to the Maryland Historical Trust’s approval of*

*that proposed work (which applicants must describe in Part 2 of the application) is ineligible for tax credits.* Additionally, kitchens/bathrooms and other "remodeling" (as opposed to making an obsolete/unusable space usable) will not be allowed. HVAC work generally is allowed.

If you have questions or want assistance in complying with these laws, contact Pen Jones, Chair of the Lutherville Advisory Committee, 410-321-6687 or Marie Frederick, Secretary, 410-252-1367.