



## HOWARD COUNTY HISTORIC PROPERTY ASSESSED VALUE TAX CREDIT: 20.113 TAX CREDIT

The County offers two types of local property tax incentives for work that restores or preserves an eligible historic property, which are defined in Sections 20.112 and 20.113 of the County Code.

The 20.113 tax credit is a Historic Tax Credit for the Increase in Assessed Value for qualified expenses not to exceed the difference between the Howard County Real Property Tax that, but for the tax credit, would be payable on the assessed value of an eligible historic property after the expenditure of qualified expenses; and the Howard County Real Property Tax that would be payable on the assessed value of the property if there was no expenditure of qualified expenses. This tax credit is explained in more detail in Section 20.113 of the County Code.

These tax incentives may be applied to eligible historic sites throughout Howard County as well as to properties in the local historic districts. The Commission must review an application submitted by the property owner **before** any work is performed and find that:

1. The structure is eligible for the tax credit.
2. The work to be performed is eligible.
3. The work will be done in accordance with the Commission's adopted design guidelines to preserve or restore the structure's historic or architectural character.

After the work is complete, the Commission must find that the invoices submitted are for qualified work and that the work was done in accordance with the pre-approval.

### **Properties Eligible for 20.113 Historic Property Tax Credits**

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Eligible properties include:

1. A structure that is listed on the Howard County Historic Sites Inventory and is designated by the Commission as historically significant.
2. A structure eligible for inclusion in the Howard County Historic Sites Inventory, which is added to the Inventory prior to the final approval of a Certificate of Eligibility.
3. An existing principal structure or historic outbuilding located within a local historic district in Howard County, which is determined by the Commission to be of historic or architectural significance, or to be architecturally compatible with the historic structures in the district.
4. A landscape feature located within a local historic district or listed on the Historic Sites Inventory, which is determined by the Commission to be of historic or architectural significance. **Tax credit 20.112 only.**
5. A cemetery, at least 50 years old, not operated as a business, which is listed on the Howard County Cemetery Inventory under section 16.1303 of the County Code. **Tax credit 20.112 only.**

## **Type of Work Eligible for 20.112 Tax Credit**

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Eligible work includes:

1. The repair or replacement of exterior features of the structure.
2. Work that is necessary to maintain the physical integrity of the structure with regard to safety, durability, or weatherproofing.
3. Maintenance of the exterior of the structure, including routine maintenance.
4. Repair or maintenance of existing gravestones, walls, fencing, or other site features of an eligible property that is a historic cemetery.

Work that is not eligible includes:

1. New construction or additions to existing structures.
2. Interior work that is not necessary to maintain the structural integrity of the building.
3. Landscape maintenance or new landscaping.
4. Routine maintenance of the exterior of the structure.

## **Qualified Expenses Eligible for 20.113 Tax Credit**

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Qualified expenses include:

1. The amount of money paid by the owner of an eligible property to a licensed contractor for improvements, restoration, or the rehabilitation of the property or for materials used to improve, restore, or rehabilitate the property.

## **The Application Process**

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### **Historic Preservation Commission Tax Credit Pre-Approval**

1. The applicant must complete an Application for Certificate of Eligibility for Tax Credit Pre-Approval. If the work affects the exterior appearance of a building in a historic district, you will also need to complete an Application for Certificate of Approval, or you may use the Combined Application. The application must describe the work to be done and be accompanied by color photographs, samples, paint chips, manufacturer's literature or any other material necessary for the Commission to properly review the application.
2. In order to meet legal advertising requirements, application(s) must be submitted to the Department of Planning and Zoning by the close of business on the Wednesday 22 days before the scheduled Commission meeting. A schedule of meeting dates and application deadlines can be found on the County website.
3. Staff reviews the application, works with the Applicant to refine the application (if necessary), publicizes the request in the required legal advertisement and prepares the Commission meeting agenda which includes the staff report describing the work and a recommended course of action based on the guidelines the Commission uses to determine its cases.
4. The Commission generally holds its monthly hearing on the first Thursday evening of the month, but the final meeting schedules are posted on the County website. At the meeting, Staff presents the work proposed in the application and the Staff recommendation. The Applicant(s) may then testify. General

public comments are then taken if anyone signs up to testify. If the Commission finds that the structure qualifies as an eligible property and that the work qualifies as eligible work, the Commission will pre-approve the tax credit application.

5. For applications that are pre-approved, Staff prepares a written approval, outlining the pre-approved work, which is signed by the Chairperson and the Executive Secretary at the following month's Commission meeting. The pre-approval is then mailed to the applicant.

### **Pre-Approved Work is Done**

1. The applicant obtains building permits for approved work, if required, and performs work in accordance with the pre-approved application. A copy of the written description of the pre-approved work must accompany the permit application. Any deviation from the pre-approval requires new approval by the Commission. Only work pre-approved is eligible for tax credits.
2. The work may not deviate from that approved by the Commission unless the changes are approved by the Commission prior to making any such changes.

### **Historic Preservation Commission Tax Credit Final Approval**

1. The applicant must send a letter to the Department of Planning and Zoning requesting the Commission grant final approval of the tax credits. Copies of invoices, etc. documenting the cost of all pre-approved work must be included with the request. No application form is required. Submittal deadlines, procedures and meeting schedules are the same as described above for tax credit pre-approval.
2. Staff may visit the site to inspect work in order to report to the Commission whether, in their view, the work was performed in accordance with the pre-approved Certificate of Eligibility.
3. At the Commission hearing, staff presents the invoices documenting the work and reports on the staff inspection of the work. The Commission then votes whether the work was performed as pre-approved, and if so, authorizes a property tax credit of 25 percent of the cost of work.
4. Staff completes a property tax credit form for signature by the Chairperson and the Executive Secretary at the following month's Commission meeting. One copy is mailed to the applicant and one copy is forwarded to the Office of Finance. The tax credit will appear as a deduction on your next property tax bill.

### **Property Tax Credit Assessment Approval**

If the work is so extensive that it may qualify for the Property Tax Assessment Cap, a request form is completed by staff and sent to the applicant to submit to the State Department of Assessment and Taxation. If the applicant submits the request, the work will be factored into the next routine reassessment of the property, and the amount (if any) that the work contributed to an increase in the assessable value will not be included in the assessment for up to 10 years.

### **Non-Complying Work**

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Work not done in accordance with the Commission's pre-approval will not qualify for a tax credit. If the structure is within a historic district and the work also required a Certificate of Approval, the property owner may be required to alter the work in accordance with the historic district guidelines.

If a Historic Tax Credit for an Increase in Assessed Value is approved, any further alteration to the approved work during the ten-year period must receive prior approval by the Commission. If the approved work is altered without Commission approval, the tax credit will lapse.

## **Application Information**

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Applications for Certificate of Approval and Certificate of Eligibility for Historic Preservation Tax Credit are made through the Department of Planning and Zoning. If a property is located in a historic district, the tax credit application must be submitted with an Application for Certificate of Approval. Properties that are only listed on the Historic Sites Inventory require the tax credit application and do not need a Certificate of Approval application.

**For more information contact:**

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**Additional information is available on the Planning and Zoning website:**

<https://www.howardcountymd.gov/Departments/Planning-and-Zoning/Conservation-and-Preservation/Historic>

**The Howard County Department of Planning and Zoning Customer Service Center is located at:**

1<sup>st</sup> Floor George Howard Building  
3430 Court House Drive  
Ellicott City, MD 21043  
410.313.2350  
FAX 410.313.3467  
TTY 410.313.2323

**Written inquiries may also be sent to our office at:**

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Department of Planning and Zoning  
Historic Preservation Commission  
3430 Courthouse Drive  
Ellicott City, MD 21043