



# A GUIDE TO THE HISTORIC PRESERVATION PROPERTY TAX CREDIT

Historic Preservation Commission

Tax paying property owners may apply for a property tax credit equal to 25 percent of the properly documented expenditures incurred for exterior work that contributes to the restoration or preservation of a structure designated by the City of Frederick (Historic Preservation Overlay). In order to be eligible, the project must have prior HPC approval and a permit unless the project is only for eligible work on the *Minor Rehabilitation List*. Not all work that receives HPC approval is necessarily eligible for the tax credit.

In order to qualify, minimum eligible expenditures must total at least \$500. The maximum total credit for any given year is \$7,500. Applications are due on April 1<sup>st</sup> following the calendar year in which the expenditures were incurred and are applied to next year's tax bill. If the amount of the credit exceeds the tax liability, the amount can be carried over for up to five years. The credit is transferrable if the property is sold before the credit is fully claimed. The City may recapture the credit if the structure is subsequently demolished.

## ELIGIBLE:

Examples of eligible work include, but are not limited to:

- Repointing;
- Repairing windows, doors, sills and lintels;
- Repairing or replacing roofs in-kind or with a historically appropriate material;
- Exterior painting;
- Replacing deteriorated trim, siding or ornament in-kind;
- Restoring or repairing an architectural feature, such as a porch or shutters, based on documentary or physical evidence;
- Installing storm windows or storm doors;
- Replacing vinyl or other modern windows with historically appropriate windows based on documentary or physical evidence;
- Replacing modern metal or hollow doors with historically appropriate doors based on documentary or physical evidence;
- Gutters and downspout repair or replacement; and
- Uncovering and repairing original siding.

## INELIGIBLE:

- Interior work;
- New construction or an addition;
- New building features or site features not based on documentary evidence;
- The installation or repair of mechanical equipment;
- The installation or repair of electrical or plumbing systems;
- The installation or repair of utilities (not including work on the *Minor Rehabilitation List*);
- The installation or repair of solar or geothermal systems;
- Plantings or tree removal;
- Professional services;
- Value of property owners' time;
- Permit fees; and
- Work completed without prior HPC approval and a permit unless on the *Minor Rehabilitation List*.