

Maryland Historical Trust

Heritage Structure Rehabilitation Tax Credit

Part 3 Itemized Expense Sheet - Mixed-Use Properties | Instructions and Example | 6/6/2016

A written accounting of all project expenses, organized chronologically and with supporting documentation, must be submitted with your Part 3 application. MHT strongly recommends that, to facilitate our review of your application, you should use the Part 3 Itemized Expense Sheet provided on our website. This spreadsheet must be filled out according to these instructions, with eligible and ineligible expenses clearly delineated. **Note for the Homeowner Tax Credit:** Please note that separate blank spreadsheet templates, and separate instructions, are provided for buildings which are strictly homeowner-occupied and for buildings which are primarily homeowner occupied but have a mixed-use, i.e. an income-producing, component. **Note for the Small Commercial Tax Credit:** Typically small commercial projects will use the homeowner-occupied form.

Column 1: Date of payment

The spreadsheet should be filled out chronologically according to date of payment, starting from your first payment. You should use the date of the cancelled check or credit card payment as your “Date of Payment” – not the date of the invoice.

Column 2: Your page #(s) of invoice / receipt / check

For each item on the spreadsheet you must include BOTH (1) a copy of the invoice or receipt, showing which goods or services were purchased, and (2) certifiable proof of payment such as a credit card receipt or cancelled check. In many cases a credit card receipt (such as an itemized receipt from Home Depot) will suffice for both purposes. **Please submit copies of the proof of payment with sensitive information and account numbers redacted or blacked out for security purposes.**

Certifiable proof of payment may consist of one of the following:

1. A dated credit card receipt
2. A cancelled check
3. A bank statement showing the check number, date, payee name, and amount
4. A signed statement from the contractor or vendor stating the amount paid (an invoice simply marked “PAID” or \$0 balance is not sufficient).

MHT strongly suggests that you photocopy one invoice, receipt, or cancelled check per sheet of paper, then place these in chronological order (using the date of the cancelled check or credit card payment) and number them consecutively, using a unique number for each sheet of paper. Ideally the invoice / cancelled check / receipt for each transaction would be grouped together and numbered consecutively. The unique page number that you have assigned to the invoice / receipt / check should be entered in Column 2.

Column 3: Payee for item (name of contractor, company, etc.)

In this column you should note the name of the contractor, vendor, or company to whom you made the payment.

Column 4: Part 2 Work Item #

In this column you should indicate the Work Item number from the Part 2 application that corresponds to the expenditure. If one expenditure applies to multiple Work Items, please list all Work Item numbers using one of two methods. (1) If several Work Items apply, you may either list all Work Item numbers in one line:

Date of Payment	Your page #(s) of invoice / receipt / check	Payee for Item (name of contractor, company, etc.)	Part 2 Work Item #	Description of Expenditure	Expenditure Amount	Eligible Expense	Ineligible Expense
1/5/2015	1	Home Depot	2, 5, 6	Door hinges, electrical cable, new bathroom sink	\$97.67	\$97.67	

(2) Or you may use one line for each Work Item number:

Date of Payment	Your page #(s) of invoice / receipt / check	Payee for Item (name of contractor, company, etc.)	Part 2 Work Item #	Description of Expenditure	Expenditure Amount	Eligible Expense	Ineligible Expense
1/5/2015	1	Home Depot	2	door hinges	\$32.37	\$32.37	
			5	electrical cable	\$19.98	\$19.98	
			6	new bathroom sink	\$45.32	\$45.32	

Column 5: Description of expenditure

In this column you should briefly describe the expenditure. It is not necessarily important to reiterate the description of the Part 2 Work Item – it is more important to be clear about what work or what item you paid for.

Column 6: Total Expenditure Amount

In this column you should note the amount of the expenditure.

Column 7: Costs within homeowner residential area (eligible), Column 8: Costs within income producing area (ineligible), and Column 9: Costs shared between homeowner residential and income producing areas (eligible as prorated below)

In these columns you will categorize your expenditures in one of three ways.

- In Column 7, you will list expenses for rehabilitation of interior areas that are exclusively owner-occupied residential. These expenses are 100% eligible.
- In Column 8, you will list expenses for rehabilitation of interior areas that are exclusively income-producing. These expenses are 100% ineligible.
- In Column 9, you will list shared expenses which must be pro-rated (see also next heading for additional instructions). This means that eligible costs are calculated based upon percentage of the square footage of the building that is exclusively owner-occupied residential. Such expenses may include:

--Rehabilitation of interior areas that are shared between owner-occupied residential and income-producing uses

--Expenses for shared mechanical systems and infrastructure such as HVAC, plumbing, electrical, etc.

In each row of the table, the total of eligible, ineligible, and shared costs must total the expenditure amount in Column 6. The program FAQ's and Homeowner Application Instructions give general guidance about ineligible expenditures.

To determine eligible amount of shared costs:

The first grey-shaded area on the spreadsheet will guide you through a simple calculation for the eligible amount of shared costs.

- 1) Enter the square footage of owner-occupied residential use within the building in the first white box.
- 2) Enter the total square footage of the building in the second white box.
- 3) The eligible percentage of costs will auto-calculate using the formula in the third white box.
- 4) The total dollar amount of shared costs will fill in automatically in the fourth white box, using the total in Column 9.
- 5) The eligible dollar amount of shared costs will auto-calculate using the formula in the fifth white box.

The costs in the three rows below will auto-fill and auto-calculate to give you a subtotal of eligible costs.

To subtract ineligible funding sources:

If you have ineligible funding sources, you would note those on the appropriate line within the second grey-shaded area. Again, the spreadsheet formula should automatically calculate the total.

Additional Notes

The spreadsheet is set up to include formulas that will automatically calculate totals when you enter amounts into Columns 6-9. If you need more lines on the spreadsheet, you should click to select a row number on the left-hand side of your window, then right-click on the selected row and select "Insert". This should not affect the formulas that have been entered – **but it is always important to double check that all totals are correct before you submit!**

An example spreadsheet and supporting documentation are shown on the following pages.