The Maryland Historical Trust

*Historic Revitalization Tax Credit*

# COMPETITIVE COMMERCIAL APPLICATION INSTRUCTIONS

**At a Glance**


Part 1 - Evaluation of Significance Page 3

Part 2 - Description of Rehabilitation Page 8

Review Fee Page 11

Amendments & Marker Requirement Page 11

Part 3 - Request for Certification of Completed Work Page 13

Claiming the Credit and Credit Recapture Page 16

Photographic Requirements Page 17

File Naming Conventions Page 19


The Maryland Historic Revitalization Tax Credit Application is a three-part application to be used for income-producing properties that 1) are certified historic structures and 2) are undertaking rehabilitation projects with total qualified rehabilitation expenditures that exceed the greater of $25,000 or 50% of the adjusted basis of the property.

The application is to be filled out in accordance with State Finance and Procurement Article, Section 5A-303 of the Annotated Code of Maryland, the regulations set forth in Code of Maryland Regulations Title .05, Subtitle .08, Chapter .08, and the instructions given below.

revised 5/28/2026

# Historic Preservation Certifications

State income tax credits are available for a "certified rehabilitation" of a "certified historic structure."

A **certified historic structure** has at least one of the following designations:

- Individually listed in the National Register of Historic Places (see https://www.nps.gov/subjects/nationalregister/index.htm);
- A contributing resource within a National Register Historic District;
- A locally designated structure or contributing resource to a local historic district that MHT determines to be eligible for the National Register;
- Preliminary certification of an individual structure or historic district pending national or local designation (final designation must occur by the end of the calendar year in which the project is completed); or
- Located within and certified as contributing to the significance of a Certified Heritage Area.

A **certified rehabilitation** is restoration, repair, or rehabilitation work undertaken on a certified historic structure:

- Within a 24-month period (selected by the property owner) that ends in the taxable year in which the rehabilitation is completed;
- That exceeds the greater of $25,000 or the adjusted basis value of the property, not including expenditures that are funded, financed, or otherwise reimbursed by State or local grants, grants made from tax-exempt Maryland State or local bond proceeds, Maryland tax credits other than tax credits under this program, or other Maryland State or local financial assistance other than a loan at the interest rate then current on State general obligation bonds;
- In compliance with a plan of proposed rehabilitation (Part 2 application) approved by the Director of MHT; and
- In conformance with the Secretary of the Interior's Standards for Rehabilitation.

# Completing the Application

Illegible or incomplete applications will be returned to the applicant. In cases where adequate documentation is not provided, review and evaluation cannot be completed, and the application will be put on hold until adequate documentation is submitted. Once filled out, you must save and upload the completed application form and materials according to MHT's File Naming Conventions (see page 19). Be sure to save a copy for your records. Applications may not be submitted by email.

The Maryland Historical Trust's approval of applications and amendments to an application's scope of work is conveyed only in writing by duly authorized officials of the Maryland Historical Trust (MHT). The decision by MHT with respect to certification is made on the basis of the descriptions in the application forms. In the event of any discrepancy between the application forms and other supplementary material submitted (architectural plans, photographs, drawings, or specifications), the application forms shall take precedence. Photographs, architectural plans, drawings, and other materials submitted with the applications become the property of MHT and may be reproduced without permission.

The applicant, property owner(s), and/or agents are responsible for complying with all federal, state, and local laws applicable to the project. This responsibility may include, but is not limited to, compliance with local zoning, building, and life safety codes, review by local historic preservation commissions, and compliance with applicable federal, state, and local licensing, permitting, and environmental requirements. To qualify for the tax credit or refund under the program, property owners must complete the Competitive Commercial Applications.

Part 1 and Part 2 Applications may only be submitted during the open application period as determined by MHT. Applications are competitively rated and ranked, and tax credits are awarded in accordance with allocated funds. Notice of certification or denial will be made by MHT to the applicant in writing. A copy of each notification is sent to the Comptroller of Maryland.

# Electronic Application Submission Process

MHT will use Microsoft Teams to receive application materials and transmit application approvals. External users will not need a Microsoft account to access Teams, though a valid email address is required. Complete electronic application submission instructions can be found on MHT's website.

In order to request a Microsoft Teams channel and submit the application materials, you must complete this form: Channel Request Form. Once this form is submitted, MHT staff will review the request. If MHT staff have questions about the channel request, they will contact the applicant by email. If the request is approved, MHT staff will create a private channel within the 2025 Competitive Commercial Team. The channel will be named by the property name and/or address.

This private channel will be used by the applicant / project team to upload all application materials according to MHT's File Naming Conventions. To add application materials, within the "File" tab of the channel, you will select the "Upload" button, and then select the appropriate files. Once the complete application form(s), photographs, and supporting documentation are added to the channel, you MUST email mht.taxcredits@maryland.gov to inform MHT staff.

Once MHT staff confirms receipt of an electronic application in the applicant's private Teams channel, staff will send the applicant an invoice for the $250 Part 2 review fee. Payment is due within 10 business days, which is required in order for the project to be placed in the review queue. When requesting a channel, please complete the billing information accurately for the party who should be billed for the fee.

# Part 1 – Evaluation of Significance

Part 1 of the Tax Credit Application is used to determine whether a property is a "certified historic structure" (see page 1). For verification of National Register listing, contact MHT staff or visit https://apps.mht.maryland.gov/medusa/ and search by your property address or historic district name. National Register properties and districts will have a purple boundary line.

The Part 1 Application is used to determine that a property is a "certified historic structure." Applicants must request one of the following determinations:

- Certification that a structure contributes to the significance of a National Register listed historic district, or of a locally designated historic district determined by the Director of MHT to be eligible for listing in the National Register; or
- Certification that a structure that has been individually designated under local law is eligible for listing in the National Register; or
- Preliminary certification of an individual structure or historic district pending national or local designation (final designation must occur by the end of the calendar year in which the project is completed); or
- Certification by the Maryland Heritage Areas Authority that a structure located in a Certified Heritage Area contributes to the significance of the Certified Heritage Area.

To determine if a structure contributes to the significance of a listed or designated historic district, MHT will apply the Secretary of the Interior's Criteria for Evaluating Significance within Registered Historic Districts.

**Criteria for Evaluating Significance**

A structure contributes to the historic significance of a district if its location, design, setting, materials, workmanship, feeling, and association adds to the district's sense of time, place, and historical development.

A structure does not contribute to the historic significance of a district if it does not add to the district's sense of time, place, and historical development; or if its location, design, setting, materials, workmanship, feeling, or association have been so altered or deteriorated that the overall integrity of the property has been irretrievably lost.

Ordinarily, a structure built within the past 50 years may not be considered to contribute to the significance of a district, unless a strong justification concerning its historical or architectural merit is given or the historical attributes of the district are considered to be less than 50 years old.

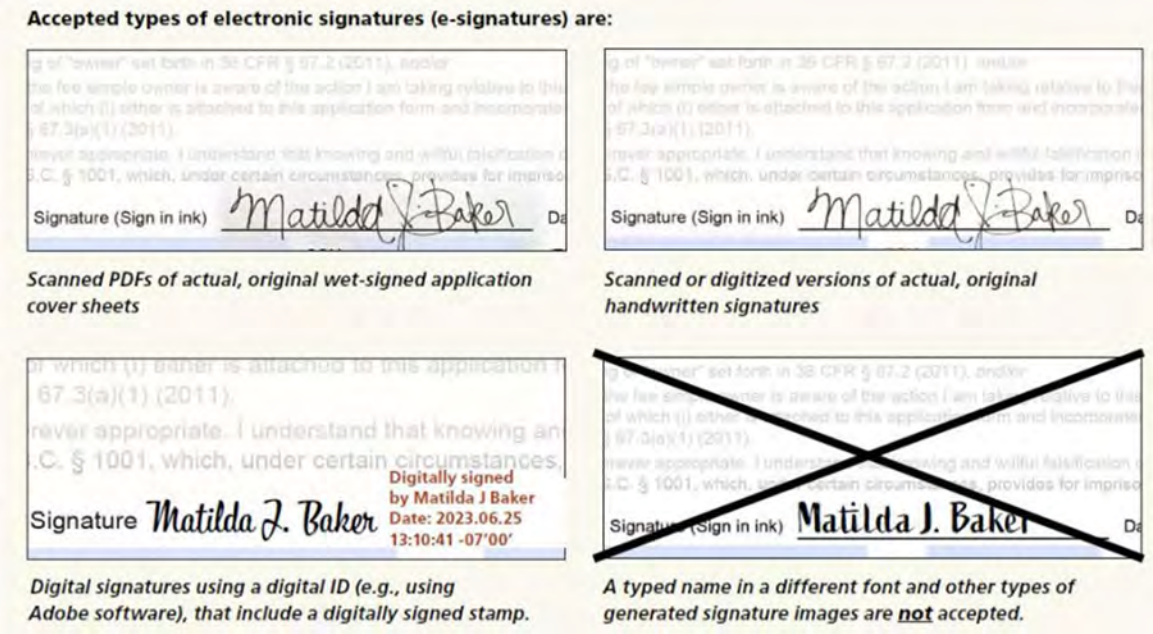
Based on documentation provided in Part 1, MHT may issue a certification of non-significance. Certification of non-significance is a judgment that a structure does not contribute to the significance of a National Register or local district, or to a group of structures individually listed in the National Register or under local law, and therefore is not eligible to receive a tax credit under this state program.

Any substantial damage or alteration to a property that occurs after certification under Part 1 and prior to completion and certification under Part 3 must be reported promptly to MHT. Part 1 certifications are valid for five years, after which a new Part 1 must be submitted for any subsequent rehabilitations of the same structure.

# Completing Part 1

## Application Form

The first page must be completely filled out and bear an acceptable electronic signature of at least one property owner (additional owners do not need to sign the Part 1 form). MHT will accept scans of applications with an original signature, scanned versions of an original signature, and digital signatures using a digital ID (such as those in Adobe). A typed name in a different font or other types of generated text meant to look like a signature will not be accepted.




If the applicant is not the fee-simple owner of the property, is a lessee with a long-term, ownership lease, or is not the owner at the time of application, the application must be accompanied by a written statement from the fee-simple owner indicating that they are aware of the application and have no objection to the request for certification. For lessees of state-owned property or other lease terms, contact the MHT office.

Applications with missing information or submitted without an acceptable electronic signature will be considered incomplete and will be placed on hold for 30 days until a complete application is received up until the published application deadline. After such time the entire application submittal will be returned to the applicant without review.

You must check on the form that the property has at least one of the following designations:

- National Register historic district
- National Register individual listing
- Local historic district
- Local individual listing
- Pending National Register or local designation (individual or district)
- Certified Heritage Area

Include the name of the historic district or Certified Heritage Area. Properties that are located in historic districts must be certified by MHT to be contributing resources and constructed within the period of significance of the historic district as explained above.

For all local individual listings, the certification request must include a copy of the official designation notification letter from the local government. Local individual listings and any pending designations must be accompanied by supporting documentation justifying the designation in order for MHT to determine that the property is eligible for listing in the National Register.

Part 1 applications for properties that contribute to a Certified Heritage Area must be accompanied by a copy of the resolution from the Maryland Heritage Areas Authority determining that the structure is significant to the Certified Heritage Area.

**Description of Physical Appearance**
Provide information about the major features of the structure on the exterior and interior. Describe the structure in its present condition, not as it was when first built nor as it will be after rehabilitation. Note the architectural style, exterior construction materials (wood, brick, etc.), type of roof (flat, gabled, hipped, etc.), number of stories, basic plan (rectangular, irregular, L-shaped, etc.), and distinguishing architectural features.

Fully describe any changes that have been made to the structure since its original construction—for example, additions, porch enclosures, relocation of doors and windows and alterations to the interior. Other buildings on the property such as carriage houses, barns and sheds should also be fully described. (See Special Considerations: Multiple Structures on page 7.) It should not be necessary, in most cases, for the applicant to do detailed research to describe the structure.

**Example:** This two-story, gable-roofed, unpainted brick structure, rectangular in shape, was constructed in 1921. It features regularly spaced window openings on the first and second floors, 6-over-6 double-hung sash windows and a columned entry portico. On the interior, the first floor is divided by a hall with a staircase and living and dining rooms on either side. The kitchen and butler's pantry are located in the rear. The second floor contains four bedrooms and two bathrooms. There is a garage at the rear of the property that was built at the same time as the commercial building.

**Statement of Significance**
If located within a historic district, briefly describe the way in which the structure relates to others in the district in terms of setting, scale, material, construction, and construction date. Note important figures from the past associated with the building, former uses of the property and the name of the architect or builder, if known. It should not be necessary, in most cases, for the applicant to do detailed research to provide a statement of significance.

**Example:** The district is an intact grouping of architecturally significant late 19th and early 20th century brick row houses. This building is a traditional row house featuring flat brick facades with refined decoration at the doors, windows, and cornice. The structure is similar to its neighbors in size, scale, building materials and style.

## Attachments

**Photographs and photo key**
Interior and exterior photos showing the entire property before rehabilitation, including those areas where no work is anticipated, must be submitted with the application. (See Photographic Requirements on pages 17-18 for instructions on preparing and naming photographs.)

**Historic District Map**
If located in a historic district, provide an official historic district boundary map which defines the boundaries of the historic district and clearly marks where the structure is located within the district. Maps of National Register Historic Districts are available at https://mht.maryland.gov/ under "National Register." Maps of locally designated historic districts are available from your local historic district commission or government.

**Certified Heritage Area Map**
Provide a map of the official Heritage Area boundary with the location of the property clearly marked. A list of Certified Heritage Areas is available at https://mht.maryland.gov/heritageareas.html.

**Fees**
There is no fee for processing a Part 1 Application.

# Special Considerations

If the property can be described under the following categories, additional information may be necessary. If this information is provided at the outset, the review process should not be delayed.

## Moved Structures

An applicant must provide additional information to support a Part 1 Application for a structure that has been moved or is intended to be moved. Such documentation must discuss: 1) the effect of the move on the structure's appearance (any proposed demolition, proposed change to the foundation, etc.); 2) the new setting and general environment of the proposed site; 3) the effect of the move on the distinctive historic and visual character of the district or neighborhood to which the structure will be moved; and 4) the method of moving the structure. Such documentation must also include photographs showing the current and previous or proposed environments, including adjacent structures and streetscapes.

## Properties Less Than 50 Years Old

Properties less than 50 years old are generally considered to not contribute to the significance of a National Register or local district. Properties in this category, however, may be certified as historic structures if: 1) they are shown to be integral parts of an eligible historic district and the historical attributes of the district are considered to be less than 50 years old, or 2) they are exceptionally significant.

## Multiple Structures

Structures on a single property, where the structures are functionally related historically to serve an overall purpose, such as a residence and carriage house, will be treated as a single structure. This will apply whether the property is individually listed in the National Register, designated individually under local law, or located in a National Register historic district or in an eligible historic district designated under local law. Generally, a single application form may be used to request certification for these structures as historic structures. Documentation, however, must be submitted for every structure included in the overall rehabilitation project.

For instance, if a house and carriage house are both to be certified, a single application may be used, but a description and a statement of significance and full photographic coverage of each structure must be provided. The owner should state explicitly which structures are submitted for certification as historic structures. A sketch map or site plan should be provided showing the current relationship of all structures. A single application may also be made to request certification in cases where a property is composed of structures that were functionally related historically to serve an overall purpose.

In these cases, the complex will be considered for a single certification and any proposed demolition of components will be considered in the review of rehabilitation work. If structures are under separate ownership, however, each owner must submit a separate Part 1 Application.

Structures on legally subdivided properties may be treated as separate projects even if the structures were functionally related historically to serve an overall purpose.

# Part 2 - Description of Rehabilitation Work

All proposed rehabilitation projects are reviewed and evaluated for conformance with the Secretary of the Interior's Standards for Rehabilitation (Standards). These ten Standards are broadly worded to guide the rehabilitation of all historic structures. The underlying concern expressed in the Standards is the preservation of significant historic materials and features of structures undergoing rehabilitation.

The Standards apply with equal force to both interior and exterior work. MHT reviews the entire rehabilitation project (including any attached, adjacent, or related new construction) rather than just a single segment of work or only work rehabilitating existing features. Certification is based upon whether the overall project is consistent with MHT's conservative application of the Standards.

MHT will notify applicants in writing whether or not the proposed rehabilitation project is consistent with the Standards and has been awarded the credit. Applicants are required to notify MHT of site control and start of work within 18 months after the initial credit certificate is issued (the Part 2 approval).

## Completing Part 2

### Application Form

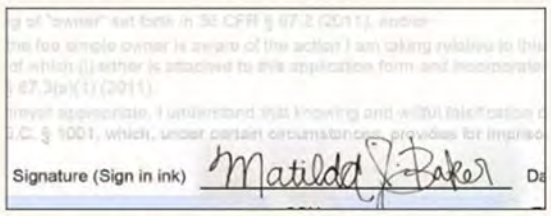
**THE PART 2 APPLICATION INCLUDES TWO PARTS, THE REHABILITATION PLANS AND THE WORKSHEET. THE WORKSHEET IS AN INTEGRAL AND IMPORTANT ELEMENT WHICH INFORMS MHT ABOUT YOUR PROJECT AND IS A TOOL IN THE RANKING AND RATING PROCESS.**

**THE PART 2 REHABILITATION PLANS MUST BE APPROVED AND THE APPLICATION CERTIFIED BY MHT PRIOR TO THE INITIATION OF ANY WORK (UNLESS A FEDERAL PART 2 WAS PREVIOUSLY APPROVED).**

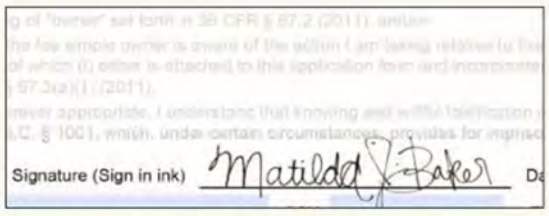
**First page of form**

This page must be completely filled out and bear an acceptable electronic signature of at least one property owner (additional owners do not need to sign the Part 2 form). MHT will accept scans of applications with an original signature, scanned versions of an original signature, and digital signatures using a digital ID (such as those in Adobe). A typed name in a different font or other types of generated text meant to look like a signature will not be accepted.

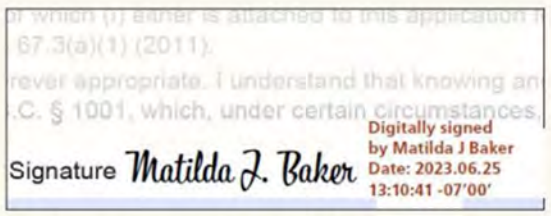
**Accepted types of electronic signatures (e-signatures) are:**




*Scanned PDFs of actual, original wet-signed application cover sheets*




*Scanned or digitized versions of actual, original handwritten signatures*




*Digital signatures using a digital ID (e.g., using Adobe software), that include a digitally signed stamp.*




*A typed name in a different font and other types of generated signature images are **not** accepted.*

If the applicant is not the fee-simple owner of the property, is a lessee with a long-term, ownership lease, or is not the owner at the time of application, the application must be accompanied by a written statement from the fee-simple owner indicating that they are aware of the application and have no objection to the request for certification. For lessees of state-owned property or other lease terms, contact the MHT office.

Applications with missing information or submitted without an acceptable electronic signature will be considered incomplete and will be placed on hold for 30 days until a complete application is received. After such time the entire application submittal will be returned to the applicant without review or denied.

**LEED Gold***
Indicate if you are applying for the additional 5% credit for LEED Gold or equivalent certification. The additional 5% credit is only available to projects that select this option on the Part 2 application form and can document this certification.

**Low-Income Housing Credits***
Indicate if you are applying for the additional 5% credit for projects that have received an allocation for Federal Low-Income Housing Tax Credits. The application must include the approved Maryland Allocation Form and Federal IRS Form 8609 for Low-Income Housing credit and allocation.

**Opportunity Zones***
All projects requesting Opportunity Zone funding must submit a map of the Qualified Opportunity Zone with the property location clearly marked. Maps for Opportunity Zones can be found on the Maryland Department of Housing and Community Development's (DHCD) website at https://dhcd.maryland.gov/Pages/OZ/OpportunityZones.aspx. Additional information will be required for final verification and certification at the Part 3. See page 15 for required information for MHT's review. You must verify that the business meets all qualifications as outlined by DHCD.

A Level 1 Opportunity Zone Project credit, including the 20% credit, cannot exceed $5,250,000.

A Level 2 Opportunity Zone Project credit, including the 20% credit, cannot exceed $5,500,000.

***You may only select one of these additional credits (LEED Gold, Federal Low-Income Housing, and Opportunity Zone Levels 1 or 2). Projects are not eligible for multiple additional credits.**

**Estimated Qualified Rehabilitation Expenditures (QRE)**
The Estimated Qualified Rehabilitation Expenditures (QRE) must be reported. The QRE for competitive commercial projects must exceed the greater of $25,000 or the adjusted basis value of the property. Insurance reimbursement funds, State and local grants, loans, or other state income tax credits are not eligible for the tax credit and must be backed out to calculate the estimated and final QRE. Federal funding, such as Federal energy tax credits and local historic property tax credits do not need to be backed out.

Note: The final allowable QRE is capped at the amount approved on the Part 2 application, not to exceed $25 million, and may not be increased or amended.

**Detailed description of rehabilitation work**
Describe all work that will be undertaken on the property, not simply those portions for which the tax credit will be sought. Begin by describing site work, followed by work on the exterior including new construction, and, finally, work proposed for the interior. In the first paragraph, describe the condition of the feature requiring work and in the second paragraph describe the proposed work and impact. Provide the relevant photograph or drawing numbers where applicable. A separate numbered paragraph should be used to describe each work item and its effect on features or spaces (see example below).

**EXAMPLE OF REHABILITATION DESCRIPTION**

**Number 1** **Architectural feature: façade brick** **Approximate date of feature: 1920**

Describe existing feature and its condition:

Hard pressed red brick with butter joints in good condition. Mortar mostly sound, but deteriorated and missing around downspouts at east end of façade.

Photo no. 3, 6 Drawing no. n/a

Describe work and impact on existing feature:

Will selectively hand clean deteriorated joints and repoint with mortar and joint width to match existing (see mortar specifications).

## Attachments

**Photographs and photo key**
Interior and exterior photos must be submitted showing the entire property before rehabilitation, including areas where no work will be undertaken. See Photographic Requirements on pages 17-18 for instructions on preparing and naming photographs for certification.

**Drawings or Sketches**
Submit drawings or sketches to show any proposed alterations (such as moving a wall) and new construction. Drawings/sketches must be sufficiently detailed to show both existing wall configurations and anticipated changes. Documentation should include floor plans and, where necessary, sections and elevations. All drawings and sketches submitted with the application should be numbered and should be keyed to the application narrative.

**Specifications**
In some cases, you may need to provide a product manufacturer's cut sheet or specifications for items such as windows, doors, or roofing material. These should be attached to the Part 2.

**Review Fee**
Once MHT staff confirms receipt of an electronic application, staff will send the applicant an invoice for the $250 Part 2 review fee. Payment is due within 10 business days, which is required in order for the project to be placed in the review queue. When requesting a channel, please complete the billing information accurately for the party who should be billed for the fee.

For projects that are awarded a credit, an additional fee equal to 3% of the anticipated credit amount (minus the initial $250 fee) must be paid within 90 days. Failure to pay the fee within 90 days will result in a credit revocation and disqualification from applying to the program for a period of 3 years following the certification expiration.

**Application Worksheet**
Complete the Application Worksheet and include required attachments (located at the end of the Part 2 Application). Failure to complete the worksheet or failure to include the appropriate documentation may result in the entire application being returned to the applicant for re-submittal if possible prior to project submission deadline.

# Amendments

If changes must be made to the scope of work described within an approved Part 2, applicants may submit an Amendment form to add, subtract, or change work items. The Amendment form is a separate application form available for download on the MHT website. Attach photographs, drawings, and specifications as needed. Any proposed Amendments must be reviewed and approved by MHT prior to commencing work to be eligible for the tax credit. Amendment forms can only change the scope of work for a project and cannot change the type of credit applied for in the Part 2 Application or the estimated QREs.

# Marker Requirement

All competitive commercial projects are required to install signage indicating the project was funded by the Maryland Historic Revitalization Tax Credit. Applicants must submit an Amendment for MHT review and approval of the required signage prior to installation. The marker must be on the exterior of the building (or at a minimum, located internally and accessible to the public) and must remain in place for a minimum of 5 years from the date of the project completion. Documentation of the marker is required for certification of the completed rehabilitation.

# Special Rehabilitation Concerns

Areas of special concern have been identified in reviewing and evaluating preservation tax credit projects. See the "Interpreting the Standards" on the National Park Service website: https://www.nps.gov/orgs/1739/its-bulletins.htm. These bulletins provide further guidance on specific rehabilitation issues. Applicants should take care to address these concerns when undertaking work in any of the areas described below.

## New Heating, Ventilating, and Air Conditioning Systems (HVAC)

Indicate what effect the new equipment and ductwork will have on the historic building material. Installation of systems that cause damage to the historic building material or cause visible loss of character may result in denial of certification.

## Replacement Windows

Owners are strongly encouraged to retain and repair historic windows. Indicate the condition of existing windows (sash, glazing, muntins, etc.) and the reasons for considering replacement. Detailed photographs must be provided to document deterioration. Where replacement of existing windows appears justified by supporting documentation, the replacement sash should match the original in material, size, pane configuration, color, trim details, and planar and reflective qualities. Scaled drawings comparing the existing windows to the replacement windows should be provided. Where historic windows are missing or have been inappropriately replaced, new windows must be of a style appropriate to the period of significance of the historic building or district. New windows may be based on historic documentation (e.g., historic photographs, or photographs of other buildings of the same period that have retained their historic windows). The use of replacement windows that cause a change in the building's character may result in denial of certification.

## Interior Partition Alteration and Plaster Removal

Indicate existing condition of the interior and document with photographs. Indicate which walls are being considered for alteration or removal. Owners are strongly discouraged from changing floor plans unnecessarily, from removing repairable historic plaster, and from exposing masonry surfaces unless the change is supported by historical evidence.

## Exterior Masonry Repair

Indicate deteriorated areas that require repair and provide evidence that repointing mortar will match the original in composition (e.g., ratio of lime, cement, sand, and any additives), color, texture, and tooling. Owners are encouraged to only repoint those portions of the masonry that require repair.

## New Additions and New Construction

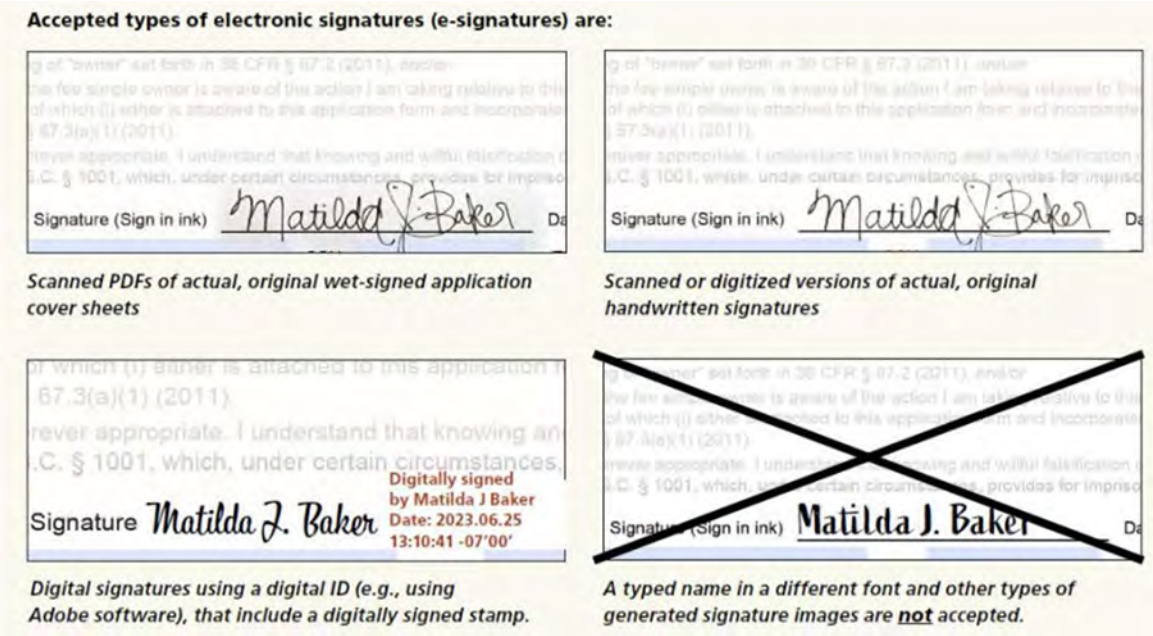
New exterior additions may alter the appearance and form of historic structures and may result in denial of certification. Similarly, new construction, including site work, may affect the relationship of a structure to its site, change the historic landscape, or otherwise damage the historic character of the property or the district.

# Part 3 – Certification of Completed Work

All work must be completed within 30 months of the Part 2 certification, or the credit certificate will expire (extensions may be granted at the discretion of the Director of MHT). Upon completion of the rehabilitation project, the owner must submit Part 3 of the application along with the required documentation. The Part 3 must be submitted within 12 months of the project expiration or initial credit will be revoked (extensions may be granted at the discretion of the Director of MHT). The completed project may be inspected by an authorized representative of the Director to determine if the work, as completed, meets the Secretary of the Interior's Standards for Rehabilitation.

## Application Form

This page must be completely filled out and bear an acceptable electronic signature and social security number (or tax identification number) of all owners. There is space to include additional owners on the second page. MHT will accept scans of applications with an original signature, scanned versions of an original signature, and digital signatures using a digital ID (such as those in Adobe). A typed name in a different font or other types of generated text meant to look like a signature will not be accepted.




Applications with missing information or submitted without an original signature will be considered incomplete and will be placed on hold for 30 days until a complete application is received.

### Pending Listing

If the Part 1 certification request was for a pending National Register listing or local designation, verification of the final listing or designation must accompany the Part 3 form. Please provide a copy of the letter from the National Register of Historic Places or the local government notifying you that the property, or the district within which the property is located, has been listed/designated, together with the supporting documentation justifying the listing/designation.

## Project Timeline & Qualified Rehabilitation Expenditures

Give the date (M/D/Y) on which the project started and the date (M/D/Y) on which the project was completed. To qualify for rehabilitation tax credits, rehabilitation expenditures must have been approved in advance and incurred within a 24-month period ending with the taxable year the project was completed. Any expenditures for work that was undertaken prior to certification of the Part 2 Application are ineligible for state tax credits. This also applies to projects with previously approved Federal Historic Tax Credit application which are not disqualified for starting work prior to MHT certification.

Provide the total rehabilitation costs for the project. Provide the total ineligible costs attributed to new construction, site work, landscaping, appliances, etc. Provide the total ineligible funding attributed to other state or local sources including grants, loans, or other state income tax credits. Subtract these totals from the Total rehabilitation costs. The resulting number is the Total Qualified Rehabilitation Expenditures (QRE), which may not exceed the estimated QRE in the Part 2 application.

## Additional Credit for LEED Gold or Equivalent Certification

In order to claim the additional 5% credit for LEED Gold or Equivalent certification, the applicant must have applied for and been awarded the additional credit in the Part 2 Application. Documentation of the LEED Gold or Equivalent certification must either be submitted with the Part 3 Request for Certification, or if LEED certification is pending, it must be submitted to MHT at a later date on a subsequent Part 3 form within the allowable 18 months of the project completion date.

## Additional Credits for Opportunity Zone Tax Credits

In order to claim the additional 5% or 7.5% credit for Opportunity Zones, the applicant must have applied for and been awarded the additional credit in the Part 2 application. Documentation must be submitted with the Part 3 Request for Certification (or subsequent Part 3 within the allowable 18 months of the project completion date).

To qualify for an additional 5% credit as a "Level 1 Opportunity Zone Project," the project must be completed by a Qualified Opportunity Zone Business and the application must:

1. Identify the date and the amount of the Qualified Opportunity Fund's investment in the Opportunity Zone;
2. State the total project or business investment, including any leverage;
3. Identify the address and census tract of the Qualified Opportunity Zone Business and the Qualified Opportunity Fund;
4. Identify the North American Industrial Classification System Code for the Qualified Opportunity Zone Business;
5. Include an impact report on the project, including both qualitative and quantitative data on the Qualified Opportunity Fund's investment in the Opportunity Zone Project and its progress; and
6. Include any other information requested by the Director.

To qualify for an additional 7.5% credit as a "Level 2 Opportunity Zone Project," the project must be completed by a Qualified Opportunity Zone Business and the application must:

1. Include all information required for the Level 1 Opportunity Zone Project additional credit (listed above);
2. Demonstrate that:
    a. Accountability to residents of the communities within the Qualified Opportunity Zone is maintained through representation on any governing or advisory board of the Qualified Opportunity Zone Business; or
    b. A Community Benefits Agreement has been negotiated and agreed to by and between the Qualified Opportunity Zone Business and community groups or strategic industry partnerships, as defined under §11-701 of the Labor and Employment Article, Code of Maryland, within the Qualified Opportunity Zone that specifies a range of community benefits that the Qualified Opportunity Zone Business agrees to provide as part of the development project; and
3. Include for an Opportunity Zone Project:
    a. Located within a municipal corporation, a resolution or letter of the municipal corporation delivered to the Director by the municipal corporation's authorized designee that demonstrates approval of the provision within the municipal corporation of the Historic Revitalization Tax Credit; or
    b. Not located within a municipal corporation, a resolution or letter of the County delivered to the Director by the County's authorized designee that demonstrates approval of the provision within the municipal corporation of the Historic Revitalization Tax Credit.

## Affordable/Workforce Housing

If the Part 2 application included a commitment to include affordable/workforce housing, you must attach a report explaining how the completed project meets your Affordable and Workforce Housing commitment.

### Independent Accountant's Report and Schedule of Rehabilitation Costs

Attach a report from an independent Certified Public Accountant summarizing their examination of the Schedule of Rehabilitation Costs and Calculation of Qualified Rehabilitation Expenditures. This examination must be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Attach supporting schedules and calculations to the report.

### Independent Accountant's Licensure Attestation Form

Attach a attestation form from the independent Certified Public Accountant who conducted the examination demonstrating that the firm is licensed in Maryland or, if licensed in another state, provide evidence of a Maryland firm permit or otherwise meets the requirements of established by the Maryland Board of Public Accountancy. Attach the supporting documentation to the attestation form.

### Corporate Diversity

To comply with the state law's Corporate Diversity requirements, attach either (a) a Corporate Diversity Addendum form as part of the annual report that is filed with the SDAT under Tax-Property § 11-101(d), or (b) an affidavit establishing that the entity is exempt from the state law's Corporate Diversity requirements.

### Photographs and photo key

Interior and exterior photos must be submitted showing the entire property after rehabilitation, including areas where no work was undertaken. Refer to Photographic Requirements on pages 17-18 for instructions on preparing and naming photographs for certification.

## Claiming the Credit

Applicants must claim the credit for the taxable year in which the rehabilitation project was completed. Maryland tax form 502S must be completed and submitted with the income tax return along with the approved MHT Certification Application (Part 3). The 502S form is available from the Comptroller of the Maryland's website: https://www.marylandtaxes.gov/.

## Credit Recapture

If the property is disposed of or if disqualifying work is undertaken on the property within five years (starting with the first year the credit was claimed), a portion of the credit must be recaptured as follows. Monitoring for disposition is conducted using SDAT Owner Information and Transfer Information. Staff may also perform site reviews to assess possible disqualifying work within the 5 year recapture period.

If additional work is planned after claiming the credit, an Amendment form should be submitted describing all new work. MHT will review to ensure the new work is compliant with the Standards without cause for recapture. The Amendment form will be added to the previous tax credit file as an update to the file.

| YEAR SINCE CREDIT CLAIMED | CREDIT RECAPTURE |
|---|---|
| 1 | 100% |
| 2 | 80% |
| 3 | 60% |
| 4 | 40% |
| 5 | 20% |
| | 0% |

# Photographic Requirements

## Part 1

Include photographs of the building's site and environment, all of the building's sides, all major interior spaces and features, and representative secondary spaces and features. Sides that are partially blocked by adjacent structures or trees may require photographs to be taken from several different angles or locations for complete documentation. Photographs of interior spaces should be taken with a wide angle from diagonally opposite corners of the room.

This baseline level of photographic documentation is necessary to evaluate the historic and/or architectural significance of a structure and the effect of the proposed rehabilitation on the significance of the structure. It also enables the MHT to verify that no additional work will be completed without prior review and approval. MHT must approve ALL work to the property. Too few photographs of either exterior or interior features may be insufficient to enable an adequate assessment of a project and may delay the review of your application or result in a denial. MHT will not accept photographs more than 90 days old at the time the application is received. The date of the photograph must be the date on which the photograph was taken.

## Part 2

If submitting Part 1 and Part 2 together, one set of baseline photographs may be used for both. If a Part 1 is not submitted with the Part 2, you must provide a new set of current baseline photographs of the interior and exterior of the structure and its surroundings as described above.

For Part 2 photos, in addition to the Part 1 baseline photos, include details of areas where proposed work will be undertaken. In some cases, it may be helpful to mark directly on the photographs the areas of proposed work. Detailed close-up photographs of specific architectural features affected by the rehabilitation, such as windows, doors, balustrades, trim, etc., may be needed. Submitting several representative photographs of multiple features, such as windows, is acceptable provided the photographs submitted adequately represent the condition throughout the structure.

## Part 3

Photos taken of the completed rehabilitation should show the same views as the pre-rehabilitation baseline photographs submitted with the Part 1 and 2, including areas where no work was undertaken. A side-by-side comparison of pre-rehabilitation and post-rehabilitation photographs determines whether the rehabilitation will be certified. MHT will not accept photographs more than 90 days old at the time the application is received. The date of the photograph must be the date on which the photograph was taken.

# Naming of Photographs

Photos should be contained in a separate PDF file with no more than two photos per page, and with a minimum photo size of 4” x 6” per photo. The property name, address, date of photo(s), and application part (i.e., Part 1, Part 2, Part 3, Amendment) must be listed at the top of each page. The photo number (labeled according to a photo key) and caption must be listed under each photo.

Photographs should be keyed to the application narrative where appropriate and keyed to the existing floor and site plans. The photo key must be a separate PDF file.

For example:

100 Community Place, Crownsville
Part 1, July 2023



1. Main Entrance

## Photo Naming Conventions

- Photos (PDF document) prior to MHT project number being assigned:
  **ApplicationPart_Photos_HistoricPropertyName or PropertyAddress_City**
  - Ex.: Part1_Photos_XYZBottlingPlant_Denton
  - Ex.: Part2_Photos_123MainSt_Baltimore

- Photos (PDF document) with MHT project number:
  **MHTNumber_ApplicationPart_Photos_HistoricPropertyName or PropertyAddress_City**
  - Ex.: 2024-000_Part3_Photos_XYZBottlingPlant_Denton

- Photo Key (PDF document) prior to MHT project number being assigned:
  **ApplicationPart_PhotoKey_HistoricPropertyName or PropertyAddress_City**
  - Ex.: Part1_PhotoKey_XYZBottlingPlant_Denton
  - Ex.: Part2_PhotoKey_123MainSt_Baltimore

- Photo Key (PDF document) with MHT project number:
  **MHTNumber_ApplicationPart_PhotoKey_HistoricPropertyName or PropertyAddress_City**
  - Ex.: 2024-000_Part3_PhotoKey_XYZBottlingPlant_Denton

# File Naming Conventions

Each application component (i.e., Part 1, Part 2, Part 3, Amendments, drawings, etc.) must be saved as an individual PDF file and named according to MHT's file naming conventions.

All files will be named using the property address (or historic property name, if known) and the file type (i.e., Part 1, Part 2, etc.). There should be no spaces, punctuation, or special characters in the folder and file names, and underscores are used instead of spaces. Street names with the cardinal directions should be abbreviated with just the first letter or letters for ordinal directions. Files names should be limited to 75 characters.

For example, the Part 1 application for an office building at 100 Community Place, Crownsville, will be named: **Part1_100CommunityPlace_Crownsville**.

If a property has a historic name, that can be used in place of the address. For example, a Part 1 application for Baltimore Penn Station will be named: **Part1_BaltimorePennStation**.

Once a Part 1 or Part 2 application is approved, all subsequent files should be labeled leading with the MHT project number. For example, if the project at 100 Community Place, Crownsville, is assigned MHT# 2024-000, any subsequent applications including Amendments and the Part 3 will be labeled:

- 2024-000_Amendment1_100CommunityPlace_Crownsville
- 2024-000_Part3_100CommunityPlace_Crownsville

## Specific File Naming Conventions

**Architectural Plans and Drawings**
Plans of existing and proposed conditions should be submitted as separate files. In order to flatten the electronic files for architectural plans, select the "Print" function, then select "Adobe PDF" as the printer, save the file, and name according to the MHT File Naming Conventions with a description of the file type. For example:

- Existing_100CommunityPlace_Crownsville
- Proposed_100CommunityPlace_Crownsville

If MHT has assigned that project a file number, that must be the leading text. For example:

- 2024-000_Existing_100CommunityPlace_Crownsville
- 2024-000_Proposed_100CommunityPlace_Crownsville

**Amendments**
Should be named in sequential order as they are submitted. For example:

- 2024-000_Amendment1_100CommunityPlace_Crownsville
- 2024-000_Amendment2_100CommunityPlace_Crownsville
- 2024-000_Amendment3_100CommunityPlace_Crownsville

**Questions?**

**Still not sure how to submit? Contact:**
**mht.taxcredits@maryland.gov**