

# CUMBERLAND HISTORIC DISTRICT FINANCIAL ASSISTANCE PROGRAMS

## **A. City of Cumberland Historic District Tax Incentive Program**

For qualified renovations that have been approved by the Historic Preservation Commission, a ten-percent credit can be deducted from the property owner's annual city property taxes. A minimum expenditure of \$5,000 is required. This credit can be used for up to five years if the amount of credit is greater than the amount of annual taxes due.

Additionally, a city property tax assessment freeze is available for a period of up to ten years. The length of the freeze depends upon the amount of the expenditure in relation to the pre-improvement market value of the property. In 2006, this program was expanded to include not only the Canal Place Preservation District, but also all National Register of Historic Districts within Cumberland. Maps of these districts and application forms are available by calling 301-759-6431 or visiting the City of Cumberland's website [www.ci.cumberland.md.us](http://www.ci.cumberland.md.us).

## **B. Special Taxing District Incentive Program**

In 2013, the Mayor and City Council, at the request of the Downtown Development Commission, provided a tax assessment freeze equal to that received by the City of Cumberland's Historic District Tax Incentive Program to be applied to the Special Tax for property owners in the Primary and Secondary Districts of the Downtown Cumberland Special Taxing District. Applicants must have work approved by the Cumberland Historic Preservation Commission in order to be eligible. There is not a separate application required but property owners should indicate on the Historic District application that they are located within an eligible district.

## **C. Allegany County Historic District Tax Incentive Program**

The Allegany County Commissioners have provided a tax assessment freeze equal to that received through the City of Cumberland's program. Applicants must have work approved by the Cumberland Historic Preservation Commission in order to be eligible. Approved City of Cumberland Historic District Tax Incentive Applications will be forwarded to the Allegany County Office of Finance for processing. There is not a separate application required.

## **D. Maryland Sustainable Communities Rehabilitation Tax Credit Program**

The Maryland Sustainable Communities Rehabilitation Tax Credit Program is administered by the Maryland Historical Trust and provides Maryland income tax credits based on a percentage of the qualified capital costs expended in the rehabilitation of eligible structures.

All applications must be approved by the Maryland Historical Trust prior to the commencement of work. More information about this program can be obtained by contacting the Maryland Historical Trust's Office of Preservation Services at 410-697-9558 or 410-697-9560. Forms and instructions may be obtained by visiting the website at <http://mht.maryland.gov/taxCredits.shtml>

Owners of historic commercial properties take note: The Maryland Historical Trust accepts applications for a competitive round each year. Please check the MHT website to determine the next upcoming deadline. Commercial property owners may receive a tax credit of up to 20 percent of eligible expenses to a total of \$3 million for substantial rehabilitation projects.

The commercial program is one of three Sustainable Communities Tax Credits that is currently offered. Residential property owners can apply for credits through the Homeowner Tax Credit Program. For relatively smaller commercial and mixed-use projects, a Small Commercial application is also available.

**E. Maryland Historical Trust Historic Preservation Loan Program**

The Maryland Historical Trust administers loan programs that assist both bricks and mortar activities such as acquisition and rehabilitation of historic properties and the development of heritage tourism-related businesses. Loans are awarded as a lump sum that must be repaid within an agreed-upon time period. The loan terms are attractive, offering below market rates. More information about this program can be obtained by contacting the Maryland Historical Trust's Office of Preservation Services at 410-697-9559 or 410-697-9535. More information is available on the MHT website by visiting <http://www.mht.maryland.gov/loans.html>.

**F. Maryland Historical Trust Grant Programs**

The Maryland Historical Trust administers six separate grant programs that assist in a wide variety of historic preservation-related activities, including:

- acquisition and rehabilitation of historic properties;
- acquisition, construction, and capital improvement of buildings, sites, and communities of historical and cultural significance to the African American experience in Maryland;
- Historic Property documentation projects such as National Register of Historic Places nominations; Maryland Inventory of Historic Property forms; and HABS/HAER/HALS documentation;
- archeological investigations;
- documentation of folkways and cultural history through oral histories;
- heritage tourism development, such as brochures, tours and site improvements;
- museum activities, encompassing strategic planning, exhibits, collections management, educational programs and marketing.

**Each program has different eligibility standards, operating regulations, applications and deadlines, so please be sure to read each program's guidelines closely to make sure your project is eligible.**

MHT encourages applicants to contact the appropriate MHT staff person prior to submitting application. More information about this program can be obtained by contacting MHT's website at <http://www.mht.maryland.gov/grants.html>.

**G. Federal Tax Incentive Program**

The program enables the owners or long-term leaseholders of income-producing certified historic structures (listed in the National Register of Historic Places, or a contributing element within the boundaries of an historic district), to receive a federal tax credit. The credit amounts to 20% of the cost of a certified rehabilitation. Applications for this program contain three parts and are available through the Maryland Historical Trust. More information about this program can be obtained by contacting the MHT's Office of Preservation Services at 410-697-9558 or 410-697-9560. More information can be found on the National Park Service's Heritage Preservation Services website, located at <http://www.nps.gov/tps/tax-incentives.htm>.

*Please contact the phone numbers or websites listed above to ensure that stated program information is still accurate prior to submitting application forms.*