

TAX CREDIT PROGRAM FOR HISTORIC PROPERTIES

Kent County, Delaware

The **Tax Credit Program for Historic Properties** in Kent County, Delaware offers tax credits for historic properties listed in the National Register of Historic Places based on preservation, rehabilitation, and/or restoration projects involving **exterior improvements** to the architectural facades of buildings.

The tax credit program is a tool to encourage visible rehabilitation. It enhances the appeal of Kent County as a place to live, to work, and/or to visit. These activities help make the county more attractive, focus attention on historic resources, and improve property values in the community. This program helps to protect elements of Kent County's heritage by encouraging investment in and continued use of existing buildings.

Eligibility - qualified property

To be eligible for this tax credit program qualified properties must meet the following criteria:

1. The property must be listed individually on the National Register of Historic Places.

OR

2. The property must be a contributing property within a Historic District listed on the National Register of Historic Places

Eligibility - qualified project

A qualified project is a preservation, restoration, and/or rehabilitation project involving exterior improvements to the architectural facade of the building.

Qualified improvements include work necessary to maintain the physical integrity of the building with regard to safety, durability, or weatherproofing.

Exterior improvement projects must meet the *Secretary of Interior Standards of the Treatment of Historic Properties, Guidelines for Rehabilitation*, and *Guidelines for Rehabilitation of Historic Buildings*.

The following projects are *not eligible* for this program:

- Interior work
- Enlargements or additions
- Site work: excavation, grading, landscaping, & paving
- Projects covered by insurance claims due to recent damage of the property
- Project undertaken using of Community Development Block Grant and other Housing and Urban Development funds administered by the County's Housing and Community Development program.

Qualified Costs

Qualified costs must be associated with exterior improvement projects such as materials and labor.

These costs do not include soft costs such as the following:

- appraisals
- architectural, engineering, and interior design fees
- legal, accounting, and realtor fees
- loan fees
- sales and marketing
- closing costs
- building permits, use and inspection fees
- bids and bid bonds
- insurance
- project signs and phones
- temporary power
- copying and office supplies

Tax Credits

- A minimum expenditure of \$1200 in qualified rehab costs is required to participate in the program.
- The tax credit equaling 50% of the total qualified cost of the approved preservation, restoration, and/or rehabilitation project is applied to the county property tax.
- The tax credit does not apply to school, vo-tech, ditch, library, or other taxes.
- The tax credits are prorated over 10 years. The maximum tax credit is \$600 per year not to exceed \$6,000 over ten years.
- The tax credit is applied during the fiscal year subsequent to the issuance of final approval of the completed project.
- A single property owner may apply more than once for the tax credit however, the maximum credit remains at a total of \$600 per year.

Application Process

An interested property owner seeking to use this tax credit submits a two part application to the Department of Planning for review. The application must be submitted prior to beginning a project eligible for this program.

The Historic Preservation Planner will review the application for compliance with eligibility guidelines. Application Part 1 confirms National Register listing of the property and reviews proposed project activities. Application Part 2 reviews completed work and project costs.

What to submit:

Application Part 1 - Preconstruction Information

1. Complete application form with applicant and property information.
2. Description of Project:
 - Plans and specifications of project
 - Color photos of existing conditions
3. Any additional information deemed pertinent to project.

Application Part 2 - Request for Review of Completed Work

1. Complete application form.
2. Qualified Costs Report clearly itemizing receipts and copies of receipts.
3. Any additional information deemed pertinent to project.

The Department of Planning reserves the right to inspect the completed work to verify compliance.

Deadlines

To be eligible for the tax credits for the current fiscal year Application Part 2 must be submitted by April 15th.

NOTE: The approval of the application for tax credits constitutes only a county approval. You will not automatically qualify for the tax credit programs offered by other local, state, or federal governments. You must submit to a separate process for these programs.

Secretary of Interior's Standards

The *Secretary of Interior's Standards for the Treatment of Historic Properties* outline four approaches: Preservation, Rehabilitation, Restoration, and Reconstruction.

Standards for Rehabilitation

The following Standards are to be applied to specific rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility.

- (1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- (2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- (3) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- (4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- (5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
- (6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- (7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- (8) Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
- (9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- (10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

For Information

For more information on the program contact:

Historic Preservation Planner
Kent County Department of Planning
414 Federal Street, Room 320
Dover, DE 19901
(302) 744-2471 (302)736-2128 fax

Reference Document: Ordinance 99-18 adopted on September 28, 1999; amended October 8, 2002 by Kent County Levy Court.

Application No. _____

Tax Credit Program for Historic Properties Kent County, Delaware

Application Part 1: Pre-Construction Information

Date: _____

Applicant

Owner's Name: _____

Address: _____

Phone: _____

Property Identification

Property ID Number: _____

Address: _____

Description of location:

I HEREBY DECLARE AND AFFIRM under the penalties of perjury that the facts and matters contained in this application and attachments hereto are accurate and true to the best of my knowledge, information, and belief.

Owner/Applicant Signature

Date

For Office Use:

Property is listed in the National Register of Historic Places yes no

CRS# _____

Name of property/district _____

Contributing property yes no

SPO Map # _____

Application Received by: _____ Date _____

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Application No. _____

Please give a description of Exterior Improvement Project to be completed (please include *only* work eligible for the property tax credit).

____ Additional sheets are provided.

Documentation and plans provided (please submit with application)

- ____ Photographs of existing condition (labeled appropriately)
- ____ Plans
- ____ Samples
- ____ Other

If you have any questions about the forms or the process of obtaining tax credits, please contact the Historic Preservation Planner at the Kent County Department of Planning, 414 Federal Street Room 320 Dover, Delaware 19901 or (302) 744-2471.

PLEASE NOTE THAT THE APPROVAL OF THE APPLICATION FOR TAX CREDITS CONSTITUTES ONLY A COUNTY APPROVAL. YOU WILL NOT AUTOMATICALLY QUALIFY FOR THE TAX CREDIT PROGRAMS OFFERED BY OTHER LOCAL, STATE, OR FEDERAL GOVERNMENTS. YOU MUST SUBMIT TO A SEPARATE PROCESS FOR THESE PROGRAMS. CONTACT THE APPROPRIATE OFFICE TO INQUIRE ABOUT THE REGULATIONS FOR OBTAINING OTHER TAX CREDITS.

**Tax Credit Program for Historic Properties
Kent County, Delaware**

Application

Part 2: Request for Review of Completed Work

Date: _____

Applicant

Owner's Name: _____

Address: _____

Phone: _____

Property Identification

Property ID Number: _____

Property Name and CRS# _____

QUALIFIED COSTS REPORT

Copies of all bills, receipts, etc. must be attached to this application. Number each receipt individually.

Receipt #	Name of Contractor/Supplier	Materials Used/ Work Completed	Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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I HEREBY CERTIFY that the above specified work and attachments were used for the rehabilitation, restoration, or preservation of a building at the address which appears on this application.

I HEREBY DECLARE under penalties of perjury that all information is to the best of my knowledge, accurate and true.

Owner/Applicant Signature

Date

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Application Received by: _____

Date: _____

QUALIFIED COSTS REPORT (Continued)

Copies of all bills, receipts, etc. must be attached to this application. Number each receipt individually.

Receipt #	Name of Contractor/Supplier	Materials Used/ Work Completed	Amount
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