

# Support the Maryland Historical Trust Sustainable Communities Tax Credit Program

*Rehabilitation tax credits have been hailed as Maryland's most powerful and effective Smart Growth, economic development, historic preservation and community revitalization tool.*

The Maryland Sustainable Communities Tax Credit Program is the reauthorized version of the Heritage Structure Rehabilitation Tax Credit Program that was established in 1996 to *encourage the redevelopment of historic buildings and revitalization of our older communities*. The Program provides Maryland income tax credits based on a percentage of the qualified capital costs expended in the rehabilitation of a structure for the following types of projects:

- 20% credit for “certified historic structures” that are owner-occupied, single-family residences
- 20% credit for “certified historic structures” that are commercial buildings
- 25% credit for “certified historic structures” that are high-performance commercial buildings
- 10% credit for non-historic, “qualified rehabilitated structures”

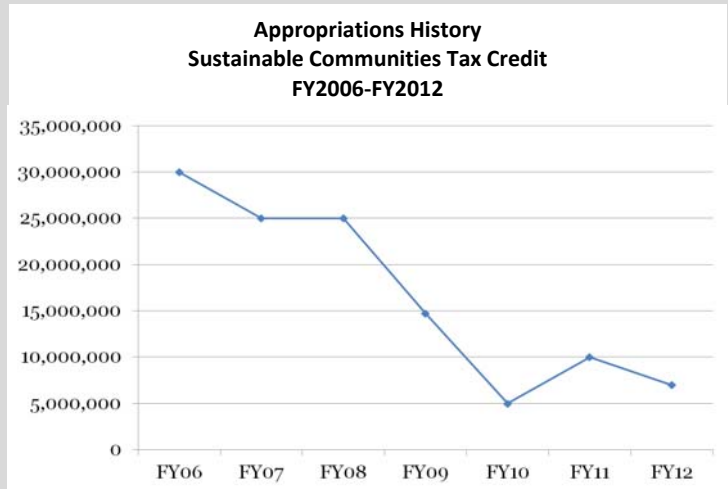
The Program has **facilitated 598 historic commercial building and 3,532 owner-occupied residence rehabilitations**. Those projects have produced over **\$1.673 billion in total direct rehabilitation expenditures** by owners and developers, assisted by approximately \$334 million in State tax credits—a fivefold return on Maryland’s investment.

Rehabilitation projects, particularly those in distressed communities, serve as catalysts for further investment, helping to revitalize neighborhoods and stimulate new social and economic activity. Rehabilitation projects significantly impact local governments’ tax base by returning vacant or underutilized properties to the tax rolls and catalyzing construction activity in adjacent areas.

Past projects include:

- Rehabilitation of Miller’s Court in Baltimore City to office and rental residential space.
- Conversion of 9 North Centre Street in downtown Cumberland to gallery, performance, residential and office space for the Allegany Arts Council.
- Reuse of 450-452 Race Street in downtown Cambridge for first floor restaurant space and upper floor apartments.

## Appropriate \$7 million to the Sustainable Communities [Rehabilitation] Tax Credit



Sustainable Communities Tax Credits are State funds appropriated annually through action by the Governor and the General Assembly. In FY 2012, the Governor’s budget included an appropriation of \$10 million for the Sustainable Communities Tax Credits, which was reduced by the General Assembly to \$7 million.

### Sustainable Communities Tax Credit Program Demand v. Appropriation

FY2012 Appropriation: \$7 million  
FY2012 Program Demand: \$29.8 million

2/7/12

