

FORM 502H

MARYLAND

19__

SUBTRACTION FOR PRESERVATION OF HISTORIC PROPERTY

Name and address of taxpayer(s)

Social Security Number

THE USE OF THIS FORM IS RESTRICTED TO THE FOLLOWING:

1. THE PROPERTY IS LISTED IN THE NATIONAL REGISTER OF HISTORIC PLACES (TITLE 16, CHAPTER 1A, SECTION 470), OR
2. THE PROPERTY IS LOCATED IN A NATIONAL REGISTER HISTORIC DISTRICT OR LOCALLY DESIGNATED HISTORIC DISTRICT AND IS CERTIFIED AS BEING OF HISTORIC SIGNIFICANCE TO THE DISTRICT, OR
3. THE PROPERTY IS DESIGNATED BY A CERTIFIED LOCAL GOVERNMENT AS AN INDIVIDUAL HISTORIC SITE, AND
4. THE PROPERTY IS NOT USED IN A TRADE OR BUSINESS OR HELD FOR THE PRODUCTION OF INCOME.

MAIL THIS FORM FOR CERTIFICATION OF EXPENSES TO THE MARYLAND HISTORICAL TRUST, 100 COMMUNITY PLACE, CROWNSVILLE, MARYLAND 21030. IT IS RECOMMENDED THAT YOU CONSULT WITH THE TRUST PRIOR TO UNDERTAKING REHABILITATION WORK TO INSURE CONFORMANCE WITH REHABILITATION STANDARDS.

ATTACH THIS SCHEDULE TO YOUR INCOME TAX RETURN IF YOU ARE AMORTIZING EXPENSES CERTIFIED BY THE TRUST IN A PRIOR YEAR

CHECK TYPE OF RETURN: 502
 504
 505

Have you filed Form 502H in prior years for this property?..... Yes No
 Have you received a similar credit, deduction, or business expense on your federal income tax return?..... Yes No
 Have you received federal or local grants in connection with this property?..... Yes No
 If yes, attach an explanation of any such grants.

EACH BASIS MUST BE LISTED AND AMORTIZED SEPARATELY.

DESCRIPTION AND LOCATION OF PROPERTY (1)	AMORTIZATION BASIS (2) (See instructions)	DATE OF BASIS (3)	TAXABLE MONTHS IN THIS PERIOD (4)	RATE OR % (Max. 20%) (5)	SUBTRACTION FOR THIS YEAR (6)	SUBTRACTION ALLOWED IN PRIOR YEARS (7)
TOTAL						

CHECK ONLY ONE – The amortization is to begin:

- the month following the month the basis was acquired (See Instruction **Election**).
- with the taxable year succeeding the year in which the basis was acquired.

Instructions for Filing Form 502H

SUBTRACTION FOR PRESERVATION OF HISTORIC PROPERTY

Who May File

A claim for a subtraction for rehabilitation of an historic structure or building may be made by those taxpayers who own a building or structure which is a certified historic structure that has had certified rehabilitation. The intent of the legislation creating this subtraction is to allow a subtraction for rehabilitation of historic properties and not to provide tax relief for routine maintenance, alteration or stop-gap repairs that do not correct the situation that has created the need for repair.

What Structures Qualify

A "Certified Historic Structure" means a building or structure which is not used in a trade or business or held for the production of income. It must be either listed in the National Register of Historic Places; located in a Registered Historic District and certified as being of historic significance by the U.S. Secretary of the Interior or the Maryland Historical Trust; designated by a certified local government as an individual historic site; located in a district designated by a certified local government as an individual historic site; or located in a district designated as historic by a certified local government and certified as being of historic significance in the district by the certified local government.

Amortization Basis

The amortization basis (column 2) represents the amount expended for certified rehabilitation costs only and does not include the purchase price of the property. Expenditures arising from the regular and normal or scheduled maintenance of the structure will not qualify for amortization. The date of basis (column 3) is the date payment was made for the amount of the certified rehabilitation cost.

Election

The basis shall be amortized over a period of 60 months. The 60 month period shall begin, at the election of the taxpayer, with the month following the month in which the basis is acquired, or with the succeeding taxable year. Check the appropriate box at the bottom of page 1 of this form and enter the number of months in column 4.

Rate or %

If the taxpayer elects to begin amortizing the basis in the succeeding taxable year, enter 20% in column 5, multiply the amount of the basis by that percentage and enter the result in column 6 ("Subtraction For This Year"). This is your subtraction.

If the taxpayer elects to begin with the month following the month in which the basis is acquired, the maximum

percentage (20%) must be prorated for the number of months in the taxable year. Enter the prorated percentage in column 5. Multiply the amount of the basis (column 2) by the percentage and enter in column 6. Example: If the basis is acquired in July, the month in which amortization may begin is August. Multiply 20% by the remaining months (5) and divide by twelve. The result is 8.33%, which should be entered in this column.

Qualifying Guidelines

Certified rehabilitation is any rehabilitation of a structure for the purpose of stabilizing or restoring the structure. Stabilization is the process of authentically preserving the structure in its present state and arresting further deterioration.

Rehabilitation must be authentic and accurately preserve and/or rehabilitate the structure in accordance with its appearance at the period in history for which the structure is historically significant.

Certified rehabilitation includes but is not limited to interior or exterior restoration, structural work, and other necessary improvements in wiring, plumbing, and other utilities, provided such devices existed in the structure in the period for which it is historically significant.

Landscaping expenses are not allowed unless they involve an historically accurate rehabilitation of a fully documented garden, garden walk or garden wall or when they involve the correction of a drainage problem which is adversely affecting the building.

How To File

If you are completing this form for certification of expenses, mail the form and "before and after" photographs of the rehabilitated portions of the structure to the Maryland Historical Trust, 100 Community Place, Crownsville, Maryland 21030. The Trust will review your documentation and make its determination as to the allowable expenses and return the Form 502H to you with its complete or conditional approval. The approved expenses may then be amortized on page 1.

If you do not receive the certified form before the due date for filing your income tax return, you may use a copy of the form. The expenses claimed will be subject to audit and revision pending the completion of the certification by the Maryland Historical Trust.

If you are filing this form to amortize expenses certified by the Trust in a prior year, complete page 1 and attach it to your Maryland return.

The total subtraction for the year from page 1, column 6 should be entered on line 30 of Form 502, line 22 of Form 505 or line 6 of Form 504.

DOCUMENTATION OF HISTORIC REHABILITATION

Property name (if any) _____ Approximate date of construction _____

Address _____

Is your property listed in the National Register? _____ Date entered _____

Is your property within a National Register Historic District? _____

Name of district _____ Date entered _____

Is your property within a locally designated historic district? _____

Name of district _____ Date entered _____

Did your rehabilitation work require Historic District Commission concurrence? _____

Date approved _____

Is your property designated as an individual historic site by a certified local government? _____

Date designated _____

Is the property described above your legal residence? _____

NOTE: IF "NO", YOU DO NOT QUALIFY FOR THIS SUBTRACTION

Do you rent all or part of the property? _____

Do you operate a business on this property? _____

Detailed description of rehabilitation work (include drawings to show any alteration to interior floor plan and exterior)

What items did you have specially fabricated (windows, doors, hardware, decorative plaster, etc.)?

Did you confer with an architect or consultant? _____ Name _____

Have you consulted early pictures, written descriptions or research on similar buildings in your area, or otherwise attempted to ascertain the accuracy and adequacy of your rehabilitation? _____

"BEFORE AND AFTER" PHOTOGRAPHS OF THE REHABILITATED PORTION(S) OF THE STRUCTURE MUST BE ATTACHED.

Does the work accomplished this year complete the rehabilitation you currently plan for your property?

What additional work are you contemplating in the next few years? _____

Have you retained original invoices to substantiate payments claimed for this subtraction? _____

Summary of expenses claimed:

Architectural fees	\$
Paint or materials analysis	\$
Archaeology	\$
Structural soundness survey	\$
Stabilization	\$
Structural reinforcement	\$
Drainage correction	\$
Mechanical/electrical systems.....	\$
Exterior rehabilitation	
materials	\$
labor	\$
contractors' fees	\$
Interior rehabilitation	
materials	\$
labor	\$
contractors' fees	\$
Specially fabricated items	\$
Other (specify)	\$ _____
TOTAL	\$

Under the penalties of perjury, I declare that I have examined this form, including accompanying additional documentation, and to the best of my knowledge and belief it is true, correct, and complete.

Your signature and date

Spouse's signature and date
(if subtraction applies to a joint return)

Certification by Maryland Historical Trust

Administrator of Project Review and Compliance

Expenses approved as submitted.

Chief of Office of Preservation Services

Expenses modified as detailed in attachment.