

Testimony of Elly Colmers Cowan  
Director of Advocacy, Preservation Maryland

Before the House Ways and Means Committee  
February 16, 2022

Pertaining To: **HB539, Historic Revitalization Tax Credit – Alterations - Qualified Rehabilitation Expenditures for Single-Family, Owner-Occupied Residences**  
*Favorable*

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On behalf of the staff and Board of Directors of Preservation Maryland and our thousands of statewide supporters, I thank you for the opportunity to provide testimony on the value of history and preservation in Maryland.

Preservation Maryland is the statewide voice for historic preservation that works to protect the best of Maryland. Since 1931, we have worked tirelessly to protect the places, stories and communities in Maryland that matter. Our aim is that, in preserving our past, we ensure an economically sustainable future for *all* Marylanders.

As such, I am pleased to offer our support for House Bill 539, and I thank Delegates Carr for sponsoring it. This bill would restore the percentage value of the residential program of the Historic Revitalization Tax Credit (HTC) to 25% of homeowners' rehabilitation costs for rehab projects on their historic residences.

The residential HTC is a program administered by the Maryland Historical Trust through which homeowners can earn a state income tax credit for renovating their historic homes. The tax credit currently offers up to 20 percent of eligible rehabilitation costs. These credits can be used to offset the cost of repairs such as: roof repair and replacement, chimney repair and lining, window restoration, new storm doors/windows, masonry repointing, and floor refinishing. Over 45,000 homes potentially qualify for the credit every year, and it has been a successful program in helping owners of historic homes to make needed improvements. Through HB539, we hope to increase that success by making the credit more valuable to homeowners across the state.

Over the last few years, the costs of construction materials have risen astronomically. For instance, according to an Associated Builders and Contractors analysis of Bureau of Labor Statistics data, lumber prices have risen by 73% since April of 2020. Those costs are then passed onto Marylanders who are looking to take on repair or improvement projects for their home, and HB539 seeks to help address those rising costs for historic homeowners who are already faced with more expensive repairs.

There is precedent for a 25% historic tax credit. Indeed, up until the early 2000s, the entire state historic tax credit program was 25% of the rehabilitation project costs, and there is currently a 25% (or greater) credit for commercial projects that result in affordable housing, are located within an opportunity zone, or meet LEED certification standards. This legislation would extend those same benefits to homeowners wanting to take on repairs or improvements to their historic homes.

Therefore, I respectfully urge a favorable report on HB539.