



Charles County Government
Commercial Real Property Improvement and Rehabilitation Tax Credit

**CHARLES COUNTY COMMERCIAL REAL PROPERTY IMPROVEMENT AND
REHABILITATION TAX CREDIT**

CRITERIA

- To qualify for the tax credit a real property owner must increase the assessed value of any qualifying business real property within a [Priority Funding Area](#) in the county as the direct result of the renovation or rehabilitation of said property.
 - "Renovation" means the change, strengthening, or addition of load bearing elements, or the refinishing, replacement, bracing, strengthening, upgrading, or extensive repair of existing materials, elements, components, equipment, fixtures, or all of these, and shall include the total reconstruction of a prior existing business property.
 - "Rehabilitation" means the process of returning a property to a state of utility through repair or alteration which makes possible and efficient business use.
- To be eligible for the credit, the increase in the assessed value must be greater than \$100,000 and shall not exceed \$3,000,000 as determined by the Maryland State Department of Assessment and Taxation (SDAT) and duly posted as a public record on the SDAT website.
- It is the sole responsibility of the property owner to request the tax credit and to provide documentation satisfactory to the Economic Development Department and Fiscal Services Department as to the qualifications of the property for said credit.



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PROCESS

1. Applicant files application with Economic Development Department for the tax credit.
2. The Director of Economic Development will review the application for completeness and confer with other members of the Economic Development management team as needed. The Director of Economic Development, in consultation with the Director of Fiscal and Administrative services will consider the request and make a preliminary eligibility determination.
3. The Director of Economic Development or the Director of Fiscal Services may request any additional information of the requesting property owner as necessary to determine eligibility.
4. The Director of Economic Development will forward the documentation to the Director of Fiscal and Administrative Services, who will apply the tax credit to the property owner's property tax bill.
5. The tax credit will go into effect the first full tax year subsequent to the issuance of Use and Occupancy Permit (U&O) for the subject property and will reflect the base credit amount as described in paragraph 6. It will be the sole responsibility of the property owner to notify the Director of Economic Development that a U&O permit has been issued.
6. The base credit amount is the difference between the increased assessed value of the property as a result of the completed improvement/rehabilitation and the assessed value of the property from the year prior to commencement of the improvement/rehabilitation. Only publicly available official assessment notices by the Maryland State Department of Assessment and Taxation posted prior to and after investment in improvement/rehabilitation will be considered evidence of the assessed values.
7. The credit shall be for five (5) full years of taxes and will be calculated as follows:
 - a. 100% credit in Year One (1) of the base credit amount
 - b. 80% credit in Year Two (2) of the base credit amount
 - c. 60% credit in Year Three (3) of the base credit amount
 - d. 40% credit in Year Four (4) of the base credit amount
 - e. 20% credit in Year Five (5) of the base credit amount
8. Any property tax credit granted under this program will not include any increase in taxes levied as a result of a tax rate increase by the county. The approved credit will be applied only to the county tax assessment and does not apply as a credit against the assessment for municipality (Town) or Fire taxes, although the tax credit can be applied in addition to any similar tax incentives offered by municipalities.

PLEASE NOTE: The estimated construction costs may not equate to the increased value of the tax assessment.



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APPLICATION

Project Name: _____

Project Location: _____

Property Tax Identification Number: _____

Name, Address, and Phone Number of Owner of the Subject Property:

Yes No Have any project applications been submitted to Planning and Growth Management?

If yes, what estimated construction cost was included on the application? If no, when do you plan to submit for project approvals?

Please briefly describe the nature of the project and proposed business use below. Include the proposed timeline and completion date.

What is the total projected amount of capital expenditure to be spent on the development of this project?

TOTAL \$ _____

What is the anticipated Use & Occupancy date? _____



Charles County Government
Commercial Real Property Improvement and Rehabilitation Tax Credit
Policy, Process & Application

Applicant's Signature

Date

Print Name

Title

Company

FOR INTERNAL USE ONLY

Application Received: _____

Reviewed By: _____

Date: _____

Approved: _____

Date: _____

Director, Economic Development

Approved: _____

Date: _____

Director, Fiscal & Administrative Services