

NEW CASTLE COUNTY  
HISTORIC TAX EXEMPTION PROGRAM  
INFORMATIONAL BOOKLET

Recognizing the ongoing maintenance of an historic structure can be costly, the New Castle County Tax Exemption Program was adopted by [Ordinance 19-106](#) in an effort to provide additional support for property owners that have taken on stewardship of the County's historic resources. Property owners seeking to perform rehabilitation, restoration, or preservation projects can apply for the program in order to receive a tax exemption from County property tax in return for certain qualified costs<sup>1</sup>. Rehabilitation projects shall be compliant with the Secretary of the Interior Standards for Rehabilitation.

Below is a list of frequently asked questions regarding the program.

**Who can apply for the New Castle County Historic Tax Exemption Program?**

Applicants are limited to the property owners of historic resources within the unincorporated areas of New Castle County. In order to qualify for the exemption, the property must either be within a New Castle County Historic overlay zoning district or be listed on the National Register of Historic Places. Please contact the Department of Land Use in order to find out if you meet the minimum requirements to apply.

**How much is the tax exemption?**

Property owners who spend a minimum of \$5,000 on qualified costs<sup>2</sup> can expect to receive a 100% tax exemption on the County portion of their tax bill for the first \$150,000 of assessed value. Such tax exemption will remain in effect for five consecutive, taxable years from the time it is granted. The tax exemptions are not permitted to be transferred to new property owners, and projects must be completed within 24 months of approval. The Department of Land Use approves applications for the Historic Tax Exemption Program on a first-come, first-serve basis based on funding availability.

PLEASE NOTE: This tax exemption only applies to County tax, it does not apply to School tax. The example below is based on an average tax breakdown for an unincorporated property within New Castle County:

Prior to Tax Exemption:		After Tax Exemption:	
County Tax:	\$1,244.21	County Tax:	\$0.00 [for a period of five years]
School Tax:	\$3,805.73	School Tax:	\$3,805.73
Total:	\$5,049.94	Total:	\$3,805.73 [for a period of five years]

**What do I need to apply for the tax exemption program?**

There is a two-step application process necessary to apply for tax credits. The first part of the application should be accompanied by a building permit, which is filed at the Department of Land Use.

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<sup>1</sup> Qualified Costs mean costs associated with exterior and/or interior improvements. Qualified costs do not include soft costs, with the exceptions of architectural and engineering fees. Soft costs are expenditures associated with appraisals; interior design fees; legal, accounting, and realtor fees; loan fees; sales and marketing; closing; building permits, use and inspection fees; bids; insurance; project signs and phone; temporary power; bid bonds; and mailing and copying.

<sup>2</sup> Exemptions may not exceed \$150,000 of assessed value. Tax exemptions shall be applicable only for preservation, rehabilitation, and/or restoration of exterior and/or interior architectural elements that are not covered by insurance claims due to recent damage of the property.

### Part 1: Explanation of Historic Significance

The first part of the application includes a narrative in which the applicant describes the proposed scope of work that is part of the proposed rehabilitation. Applicants should provide a detailed description of the particular architectural feature that is to be rehabilitated, as well as any impacts to the rest of the historic structure. Applicants must include an outline of total estimated costs of the proposed project, as well as specific qualified costs. Other supplemental items of the application include:

- Building drawings
- Photographs
  - Overall Structure
  - Specific Scope of Work area
- Building material specifications.

The Department of Land Use will review the proposed scope of work for compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties, and Guidelines for Rehabilitating Historic Buildings. Should the project meet the Secretary of the Interior Standards, the Department will refer the proposed project to the New Castle County Historic Review Board for consideration. Upon receiving a recommendation from the Historic Review Board, the Department of Land Use will provide a written decision to the applicant directing them to commence work.

### Part 2: Request of Certification of Completed Work

Once the scope of work has been completed, the owner shall submit the second part of the application. Part 2 of the application shall include the following documents:

- Final accounting of qualified expenditures
- Affidavit certifying completion of work
- Photographs of Completed Work

The Department of Land Use will perform a final inspection of the project upon receipt of Part 2 of the Tax Exemption application to verify the project followed the required standards. The Department of Land Use will issue a written decision to the applicant approving or disapproving the project and will notify the Assessment Division regarding the approval of Historic Tax Exemptions.

### **What happens if changes are needed for the project?**

Changes in the work as described in the application must be brought promptly to the attention of the Department of Land Use by written amendment to the application to ensure continued consistency with the Standards.

### **When does my tax exemption get applied?**

If a project is approved, the tax exemption is applied the following fiscal year after receiving final approval from the Department of Land Use. In order to be eligible for the forthcoming fiscal year, applicants must have Part 2 of their application submitted by April 15<sup>th</sup>.