Expanding Your Market

Tax Incentives for Businesses

Businesses can take advantage of two Federal tax incentives available to help cover costs of making access improvements for customers with disabilities:

- **A tax credit for small businesses** who remove access barriers from their facilities, provide accessible services, or take other steps to improve accessibility for customers with disabilities
- **A tax deduction for businesses of all sizes** that remove access barriers in their facilities or vehicles

A business that annually incurs eligible expenses to bring itself into compliance with the ADA may use these tax incentives *every* year. The incentives may be applied to a variety of expenditures; however, they may not be applied to the costs of new construction. All barrier removal must comply with applicable Federal accessibility standards.

**Tax Credit**

Small businesses with 30 or fewer employees or total revenues of $1 million or less can use the Disabled Access Credit (Internal Revenue Code, Section 44). Eligible small businesses may take a credit of up to $5,000 (half of eligible expenses up to $10,250, with no credit for the first $250) to offset their costs for access, including barrier removal from their facilities (e.g., widening a doorway, installing a ramp), provision of accessibility services (e.g., sign language interpreters), provision of printed material in alternate formats (e.g., large-print, audio, Braille), and provision or modification of equipment.

**Tax Deduction**

Businesses of all sizes may take advantage of this tax deduction. Under Internal Revenue Code, Section 190, businesses can take a business expense deduction of up to $15,000 per year for costs of removing barriers in facilities or vehicles.

**Tax Incentives in Combination**

These two incentives can be used together by eligible businesses if the expenditures qualify under both Sections 44 and 190. If a small business’ expenses exceed $10,250 for the maximum $5,000 tax credit, then the deduction equals the difference between the total spent and the amount of the credit claimed.

**Tax Incentives Forms and Publications**

Visit the Internal Revenue Service website at www.irs.gov or call 800-829-3676 (voice); 800-829-4059 (TTY) to order the necessary business forms and publications: **Form 8826** (Disabled Access Credit) and **Publication 535 “Business Expenses”** (tax deduction).