

Small Business Tax Credit: IRS Code Section 44, Disabled Access Credit

What is it? Small businesses may take an annual tax credit for making their businesses accessible to persons with disabilities. The total disabled access tax credits taken in 1996 on corporate income tax returns by all industries totaled \$11,865,000, according to the IRS.

What are the eligibility requirements? Small businesses that in the previous year earned \$1 million or less in gross receipts or had 30 or fewer full-time employees are eligible for the Small Business Tax Credit.

What expenses are covered? The tax credit is available every year and can be used for a variety of costs such as:

- sign language interpreters for employees/customers who have hearing impairments
- readers for employees/customers with visual impairments
- the purchase of adaptive equipment or the modification of equipment
- printed materials in alternate formats (e.g., Braille, audiotape, large print)
- the removal of architectural barriers in buildings or vehicles
- other similar services (i.e., use of a job coach or a co-worker to provide support to an employee with a disability).

What expenses are NOT covered? The tax credit does not apply to the costs of new construction, and a building being modified to accommodate the disabled must have been placed in service before November 6, 1990.

What is the amount of the tax credit? The credit is 50% of expenditures over \$250 but not to exceed \$10,250, for a maximum benefit of \$5,000.

How can this credit be claimed? Businesses can claim the Disabled Access Credit on IRS Form 8826.

Where can I obtain additional information?

For additional information on the Disabled Access Credit, contact a local Internal Revenue Service Office: <http://www.irs.gov>