



Expanding Your Market



 Americans with Disabilities Act
ADA Business Connection

More than fifty million Americans with disabilities make up a huge, nearly untapped market for businesses of all types and sizes. To help businesses welcome customers with disabilities, the IRS offers two tax incentives to remove access barriers.

For more information about these tax incentives and the ADA, call the Department of Justice ADA Information Line at:

800-514-0301 (voice)

800-514-0383 (TTY)

or visit the *ADA Business Connection* at:

www.ada.gov.

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).

The Americans with Disabilities Act authorizes the Department of Justice (the Department) to provide technical assistance to individuals and entities that have rights or responsibilities under the Act. This document provides informal guidance to assist you in understanding the ADA and the Department's regulations.

This guidance document is not intended to be a final agency action, has no legally binding effect, and may be rescinded or modified in the Department's complete discretion, in accordance with applicable laws. The Department's guidance documents, including this guidance, do not establish legally enforceable responsibilities beyond what is required by the terms of the applicable statutes, regulations, or binding judicial precedent.