



Accessibility INITIATIVE



FEDERAL TAX INCENTIVES FOR BUSINESSES*

Expand Your Market by Welcoming Customers with Disabilities

To help businesses more fully accommodate customers with disabilities, the Internal Revenue Service (IRS) offers federal tax incentives to remove access barriers:

1. 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)
- Provision or Modification of Equipment

2. 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.

3. 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.

4. TAX INCENTIVES AVAILABLE EVERY YEAR

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 INCENTIVES FORMS AND PUBLICATIONS (NOVEMBER 2005)

For Order Form 8826 (Disabled Access Credit) and Publication 535 "Business Expenses" (Tax Deduction):

800-829-3676 (voice) | 800-829-4059 (TTY)
irs.gov

**Business Owners: Always consult your CPA, accountant or tax preparer for guidance on how to utilize these tax incentives.*

A Brief Introduction to Understanding ADA and Michigan Barrier Free Design

AMERICANS WITH DISABILITIES ACT (ADA) A FEDERAL LAW

- ADA is a Federal Civil Rights Law that prohibits discrimination against individuals with disabilities.
- ADA Law is not enforced by State or Local Government Officials.
- Enforcement of ADA Law occurs when a private individual files a discrimination claim to the U.S. Department of Justice (DOJ) for investigation.
- Lawsuits can arise over a violation of a person's civil rights if the DOJ, during its investigation, finds evidence to substantiate the allegations.
- ADA compliance may be required regardless of when the building was constructed.

MICHIGAN BARRIER FREE DESIGN ACT A STATE LAW

- This State Public Act is administered through the Michigan building code. Compliance is required when a construction project is undertaken or a change of use occurs. Existing buildings may be considered in compliance or “grandfathered” if they met the code at the time of construction.
- Being in compliance with Michigan Barrier Free Design, does not mean the building is necessarily in compliance with the ADA.
- Architects are required to design buildings to meet Barrier Free Code requirements—in addition to the other Building Code requirements (e.g., means of egress, structural, fire, number of occupants, plumbing, mechanical, electrical, etc.).
- Building Codes are enforced by Local Building Officials.
- Local Building Officials approve plans for construction and issue a building permit.
- Variances to the Michigan Barrier Free Code cannot be granted by the Building Official; waivers can only be granted by the Michigan Barrier Free Design Board.
- At the conclusion of construction, a final inspection is made. If no code violations are found, the Local Building Official issues a Certificate of Occupancy.
- Problems may arise if violations, such as not meeting Michigan Barrier Free requirements, are missed during the final inspection.
- A Certificate of Occupancy does not protect a building owner from a violation intentionally or innocently missed if someone files an ADA discrimination complaint with the Department of Justice. Under ADA law, the owner can be ordered to correct the violation at their expense if found to be in noncompliance after investigation.

RESOURCES FOR FURTHER INFORMATION ON THE ADA

United States Department of Justice, Civil Rights Division, Disability Rights Section

ADA Business Connection:
1-800-514-0301 (voice) | 1-800-514-0383 (TTY)

ADA National Network: 1-800-949-4232

ada.gov

