



Tax Incentives for ADA Compliance

Federal and state tax codes promote compliance with the Americans with Disabilities Act by allowing:

- **TAX CREDITS AND/OR DEDUCTIONS for improving accessibility** (which may be used together)
- **TAX CREDITS for employment** of persons with disabilities

Architectural/Transportation Tax Deduction

Tax DEDUCTION for ALL Businesses (Internal Revenue Code, Section 190)

- For expenses incurred from removing physical/structural and transportation barriers
- May be available as an annual deduction with a maximum of \$15,000 per year

Disabled Access Credit

Tax CREDIT for SMALL Businesses (Internal Revenue Code, Section 44)

- For businesses with total revenue of \$1 million or less or a full-time staff of 30 or less
- Can cover 50% of eligible access expenditures up to \$10,250 annually (i.e., \$5,000 maximum)
- Offsets the cost of modifications to:
 - Remove barriers and/or improve accessibility
 - Offer alternate format materials (e.g., large print, audio tape, Braille)
 - Provide sign language interpreter(s) and/or reader(s) for customers/employees
 - Purchase certain adaptive equipment

Work Opportunity Tax Credit (WOTC)

Tax INCENTIVE for ALL Businesses (Internal Revenue Code, Section 51)

- Incentive to hire persons from certain population groups that have a particularly high unemployment rate or other employment needs, such as Vocational Rehabilitation referrals

Disabled Access Credit (CA state)

Tax CREDIT for SMALL Businesses (CA Revenue & Tax Code, Sections 17053.42 and 23642)

- For businesses with total revenue of \$1 million or less or a full-time staff of 30 or less AND expenses resulting from increasing accessibility to comply with the ADA
- Can cover 50% of eligible access expenditures up to \$250 annually (i.e., \$125 maximum)
- May be carried over until exhausted

