# 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