

Tax Credits and Deductions to Assist with Workplace Accommodations

The 1990 Americans with Disabilities Act (ADA) requires that employers with 15 or more employees make reasonable accommodations in the workplace for employees with disabilities. Reasonable accommodations must be made on a case-by-case basis and are not required when costs would constitute an undue hardship for an employer. Such accommodations can enable valued employees to maintain their jobs or perform other work within their companies.

There are two provisions that the Internal Revenue Code has to assist businesses with the cost of providing workplace accommodations.

Disabled Access Tax Credit (Title 26, IRS Code, Section 44)

This tax credit is available to “eligible small businesses.” Eligible expenditures include cost of:

- Sign language interpreters for employees/customers with hearing impairments;
- Readers for employees/customers with visual impairments;
- Adaptive equipment or the modification of equipment;
- Printed materials in alternative formats (e.g., Braille, audio tape, large print);
- Removal of architectural barriers in buildings or vehicles; and
- Other similar services (i.e., use of a job coach or a co-worker to provide support to an employee with a disability.)

Tax Deductions that Remove Architectural and Transportation Barriers to Individuals with Disabilities and Elderly Individuals (Title 26, IRS Code, Section 190)

Businesses may deduct up to \$15,000 of the costs incurred each year for Architectural and Transportation Tax Deduction to remove barriers to individuals with disabilities and elderly individuals. Examples of the deductions include:

- Providing accessible parking spaces, ramps, and curb cuts;
- Providing telephones, water fountains, and restrooms that are accessible to persons with wheelchairs;
- Making walkways at least 48 inches wide; and/or
- Providing accessible entrances to buildings, including stairs and floors.

Resources:

- IRS website: <http://www.irs.gov/prod/help/newmail/user.html>
- Department of Labor and Economic Opportunity (LEO), Michigan Rehabilitation Services at 1-800-605-7222
- Michigan Rehabilitation Services website: <http://www.michigan.gov/mrs>

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The Michigan Department of Labor and Economic Opportunity is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities, as required by law. Printed: 5/10.