



*Disability Access Credits For
Small Businesses
R.I.G.L. 44-54-1*

This Rhode Island law provides limited tax credits, to small business taxpayers¹ for removal of architectural, communication, physical or transportation barriers for persons with disabilities. It allows a credit against corporation taxes (assessed under Chapters 44-11 & 44-13) equal to 10% of the total amount spent in Rhode Island during the tax year (up to \$1,000), in order to comply with federal or state laws protecting the rights of persons with disabilities.²

Covered are:

- buying or modifying equipment or providing similar services, modifications, material or equipment;
- providing qualified interpreters or readers or other effective methods of delivering materials to persons who have a hearing or visual impairment;
- providing specialized transportation services to employees or customers with mobility impairments;
- providing job coaches or other effective methods of supporting workers with severe impairments in competitive employment.

Questions...

Call Rhode Island Disability Law Center at 401.831.3150 (V) or 401.831.5335 (TTY).

¹ 30 or fewer full-time employees or 1 million dollars or less in gross receipts.

² Including, but not limited to: the Americans with Disabilities Act; Title V of the Rehabilitation Act of 1973; the Rhode Island Constitution Art. 1 §2, & General Laws 42-87, 42-46, 37-8, 23-6.

FEDERAL TAX INCENTIVES FOR IMPROVING ACCESSIBILITY

Federal tax incentives can help businesses cover the costs of making access improvements, including the purchase of AT. Two incentives are available.

A tax credit for small businesses:

Under Section 44 of the Internal Revenue Code, a business that for the previous tax year had either revenues of \$1,000,000 or less *or* 30 or fewer full-time workers, can obtain a credit for a variety of expenditures including:

- Provision of readers for customers or employees with visual disabilities;
- Provision of sign language interpreters;
- Purchase of adaptive equipment;
- Production of accessible formats of printed materials;
- Removal of architectural barriers in facilities or vehicles (alterations must comply with applicable accessibility standards); and
- Fees for some consulting services.

The credit cannot be used for new construction, but only for modifications to existing facilities that are required to comply with the Americans with Disabilities Act (ADA).

The amount of the credit is equal to 50% of the eligible access expenditures in a year, up to a maximum of \$10,250. There is no credit for the first \$250 of expenditures, so the maximum available tax credit will therefore be \$5,000.

A tax deduction for any business:

Under Section 190 of the Internal Revenue Code, a business of *any size* may use a deduction of up to \$15,000 per year for the removal of architectural or transportation barriers. The renovations made must comply with applicable accessibility standards.

A *small business* can use both the **tax credit** and **deduction in combination**, if the expenditures would qualify under both Sections 44 and 190.