

# SMALL BUSINESS DISABLED ACCESS CREDIT



## **Policy Description:**

Two tax incentives are available to help cover the cost of making improvements. The first is a tax credit that can be used for architectural adaptations, equipment acquisitions, and services such as language interpreters. The second is a tax deduction that can be used for architectural or transportation adaptations.

The tax credit is subtracted from your tax liability after you calculate your taxes, while a tax deduction is subtracted from your total income before taxes, to establish your taxable income.

## **Eligibility Criteria:**

### Tax Credit

- The tax credit, established under Section 44 of the Internal Revenue Code, was created in 1990 specifically to help small businesses cover ADA-related eligible access expenditures. A business that for the previous tax year had either revenues of \$1,000,000 or less or 30 or fewer full-time workers may take advantage of this credit. The credit can be used to cover 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 material (i.e., Braille, large print, audio tape, computer diskette)
  - Removal of architectural barriers in facilities or vehicles (alterations must comply with applicable accessibility standards)
  - Fees for consulting services (under certain circumstances)

The tax credit cannot be used for the costs of new construction. It can be used only for adaptations to existing facilities that are required to comply with the ADA.

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

### Tax Deduction

The tax deduction, established under Section 190 of the Internal Revenue Code, is now a maximum of \$15,000 per year a reduction from \$35,000 that was available through December 31, 1990. A business (including active ownership of

an apartment building) of any size may use this deduction for the removal of architectural and transportation barriers. The renovations under Section 190 must comply with applicable accessibility standards.

Small businesses can use these incentives in combination if the expenditures incurred qualify under both Section 44 and Section 190. For example, a small business that spends \$20,000 for access adaptations may take a tax credit of \$5,000 (based on \$10,250 of expenditures) and a deduction of \$15,000. The deduction is equal to the difference between the total expenditures and the amount of the credit claimed.

### **How to Apply:**

For more information regarding this incentive policy please contact the Human Relations department at (361) 826-3190 or visit [www.cctexas.com/humanrelations/](http://www.cctexas.com/humanrelations/).

Applicants seeking incentives must file an application for Economic Incentives before the request can be considered. Please contact the City of Corpus Christi's Economic Development Office at (361) 826-3850 to request the application or visit [www.cctexas.com/economicdevelopment](http://www.cctexas.com/economicdevelopment) to download the application.

The City shall not grant any incentive unless the business submits a full and complete application and provides additional information as may be requested. The accuracy of the information in the application is the sole responsibility of the applicant. Upon request the applicant shall provide supporting documentation. Any misstatement of or error in fact may render an application null and void and may cause for repeal of any ordinance adopted in reliance of said information.

If it is determined that the application meets these guidelines a full and financial programmatic review will be conducted. This review may be done by City Staff, an outside agency or consultant and will ensure conformance with these guidelines