

Federal & State Tax Incentives

Federal Tax Incentives

Two Federal tax incentives support businesses when they remove architectural and other barriers. Another promotes employment of individuals with disabilities.

1. Architectural/Transportation Tax

Deduction: Any business can use this deduction to remove existing barriers in buildings or in transportation vehicles.

IR Code Section 190, Barrier Removal

Possibilities:

- Hiring a reader to tape record instructions for an employee who is blind
- Widening doors to allow individuals easier access to break rooms
- Re-painting a parking lot to allow more parking for people with disabilities

2. Disabled Access Credit

Small businesses use this tax credit to remove architectural barriers and to buy equipment, aids or services.

IR Code Section 44

Possibilities:

- Sign language interpreters for employees who need them at performance reviews
- Production of Braille or large print documents for instruction manuals
- Purchase of an adjustable desk for an individual who uses a wheelchair

3. Work Opportunity Tax Credit (WOTC)

Employers gain a tax credit for hiring workers from certain targeted groups, including individuals referred from vocational rehabilitation programs.

IR Code Section 51

State Tax Incentives

MD Disability Employment Tax Credit (MDETC)

Employers may take a credit in an amount to 30% of up to the first \$6,000 (\$1,800) of wages paid during the first year, and 20% of wages up to the first \$6,000 paid during the second year of employment.

Employers can also benefit from a tax credit for work-related child care or transportation expenses paid by the employer. The MDETC allows a credit of up to \$600 of qualified child care or transportation incurred during the first year of employment, and up to \$500 for the second year.

The MDETC may be claimed concurrently with any available federal tax credit for which the employee may be eligible.

To learn more about federal tax incentives for hiring individuals with disabilities, contact the Mid-Atlantic ADA Center at 1-800-949-4232.

To find out more about how to use the Maryland Disability Employment Tax Credit, contact the DORS office nearest you, or call 410-554-9442 or (toll-free) 1-888-554-0334.

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