

# 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**

### Maryland State Tax Incentive

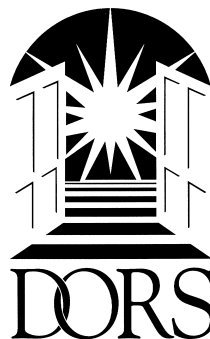
#### MD Disability Employment Tax Credit (MDETC)

Employers may take a credit in an amount of 30% up to the first \$9,000 (\$2,700) of wages paid during both the first and 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 \$900 of qualified child care or transportation incurred during the each of the first two years of employment.

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

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**To learn more about federal and state tax incentives for hiring individuals with disabilities, contact a local DORS office or the DORS' Business Relations Office 410-554-9408.**

#### Online Resources:

<http://dors.maryland.gov/business/Pages/tax.aspx>