

The Tax Benefits of an Accessible Business

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If you are the owner of a business that is open to the public, it is your responsibility to ensure that it is compliant with the **Americans with Disabilities Act of 1990 ("ADA")** accessibility provisions. While complying with federal laws can be onerous at times, there are certain tax benefits available for making improvements to your office space.

The ADA's first accessibility requirements went into effect in 1992. In recognition that many small businesses cannot afford to make significant physical changes to their stores or places of business to provide accessibility to wheelchair users and others with disabilities, the ADA has requirements for existing facilities built before 1993 that are less strict than for ones built after early 1993 or modified after early 1992. Therefore, it is crucial to know when the building in which your business is located was built before any additions or modifications are made.

Under Section 44 of the **IRS Code**, a small business (defined as having thirty or fewer full time employees or less than \$1,000,000 in revenue) can receive a tax credit that is equal to 50% of the eligible expenditures in a year, up to a maximum expenditure of \$10,250. There is no credit for the first \$250 of expenditures, thus the maximum credit is \$5,000.

The credit cannot be used for the costs of new construction - only for adaptations to existing facilities. There are a variety of adaptations that can be implemented, such as the purchase of adaptive computer equipment, removal of architectural barriers, or the provision of sign language interpreters.

Likewise, there is a tax deduction under Section 190 of the IRS Code available to businesses of any size that remove architectural or transportation barriers. The maximum deduction is \$15,000 per year and all renovations must strictly adhere to accessibility standards to be eligible. Common renovations include providing accessible parking spaces and making walkways wider for wheelchair accessibility.

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