

ADA Compliant and accessible businesses are Eligible for tax credits



If you're a business owner, you likely understand the importance of making your website accessible to individuals with disabilities. But did you know that doing so can also make you eligible for valuable tax credit benefits?

The Americans with Disabilities Act (ADA) provides a Disabled Access Credit to businesses that incur expenses related to removing barriers and complying with ADA regulations. This credit is worth **up to 50% of eligible accessibility expenditures**. By taking advantage of this, you can not only improve your business's accessibility, but also save money and potentially increase your customer base.

This article will explore the tax credit for ADA-compliant businesses, the eligibility criteria, and how to apply.

What is the ADA Tax Credit

The U.S. government promotes and supports accessibility practices that comply with the Americans with Disabilities Act (ADA) by incentivizing the efforts made and sustained with a tax credit (a credit is an amount subtracted from your overall liability after calculating your taxes). You can receive up to \$5,000 in tax credits annually and reduce your overall prices on accessiBe's products and services.

The tax credit, listed under Section 44 of the IRS Code, covers 50% of the eligible access expenditures made during the previous tax year, with a maximum expenditure limit of \$10,250. There is no credit for the first \$250 expenditures, so it is subtracted accordingly. Therefore, the highest amount of credit a business can receive is \$5,000.

For example:

\$490	Accessibility expenditures - \$490 per year for accessWidget license
-\$250	First expenditure - The first \$250 of expenditures are not creditable
\$240/2 = \$120 Tax credit	Tax credit - The tax credit applies for 50% of the remaining expenditure
\$490-\$120 = \$370	Savings - After tax credit, the total cost for accessWidget is only \$370

For your convenience, we have prepared a [short video](#) explaining the benefits of ADA tax credits. You can also read more on our [blog post](#) or in this [FAQ Sheet](#).

What businesses are eligible for ADA Tax Credit?

The ADA tax credit benefit is available to businesses that meet one of the following conditions:

- 1 The business generated \$1,000,000 or less during the year before filing
- 2 The business employs 30 or fewer full-time employees.

How to apply for ADA Tax Credits

Once you have confirmed that your client's business is eligible, they can fill out [Form 8826](#) to apply. It must then be attached to their yearly tax return and sent alongside it. You can find Form 8826 on the [IRS government website](#), where you can also research the rules and stipulations regarding the tax credit itself.

More instructions can also be found on page 2 of Form 8826. You can also read more on the [IRS Tax Credits and Deductions](#) page on the Americans with Disabilities Act website.