Form **8826**

(Rev. December 2013)

Department of the Treasury
Internal Revenue Service

Disabled Access Credit

▶ **Attach to your tax return.**

▶ **Information about Form 8826 and its instructions is at *www.irs.gov/form8826*.**

OMB No. 1545-1205

Attachment Sequence No. **86**

Name(s) shown on return

Identifying number

1	Total eligible access expenditures (see instructions)	1		
2	Minimum amount	2	$ 250	00
3	Subtract line 2 from line 1. If zero or less, enter -0-	3		
4	Maximum amount	4	$10,000	00
5	Enter the **smaller** of line 3 or line 4	5		
6	Multiply line 5 by 50% (.50)	6		
7	Disabled access credit from partnerships and S corporations	7		
8	Add lines 6 and 7, but do not enter more than $5,000. Partnerships and S corporations, report this amount on Schedule K. All others, report this amount on Form 3800, line 1e	8		

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 12774N

Form **8826** (Rev. 12-2013)

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8826 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/form8826*.

Purpose of Form

Eligible small businesses use Form 8826 to claim the disabled access credit. This credit is part of the general business credit.

Taxpayers, other than partnerships or S corporations, whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on Form 3800.

Definitions

Eligible Small Business

For purposes of the credit, an eligible small business is any business or person that:

- Had gross receipts (including that of any predecessor) for the preceding tax year that did not exceed $1 million **or** had no more than 30 full-time employees during the preceding tax year and
- Elects (by filing Form 8826) to claim the disabled access credit for the tax year.

For purposes of the definition:

- Gross receipts are reduced by returns and allowances made during the tax year,
- An employee is considered full time if employed at least 30 hours per week for 20 or more calendar weeks in the tax year, and
- All members of the same controlled group and all persons under common control generally are considered to be one person—see section 44(d)(2).

Eligible Access Expenditures

For purposes of the credit, these expenditures are amounts paid or incurred by the eligible small business to comply with applicable requirements under the Americans With Disabilities Act of 1990 (Public Law 101-336) as in effect on November 5, 1990.

Eligible access expenditures include amounts paid or incurred:

1. To remove barriers that prevent a business from being accessible to or usable by individuals with disabilities;

2. To provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals;

3. To provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or

4. To acquire or modify equipment or devices for individuals with disabilities.

The expenditures must be reasonable and necessary to accomplish the above purposes.

Eligible expenditures do not include expenditures in 1 above that are paid or incurred in connection with any facility first placed in service after November 5, 1990.

Eligible access expenditures must meet those standards issued by the Secretary of the Treasury as agreed to by the Architectural and Transportation Barriers Compliance Board and set forth in regulations. See section 44(c) for other details.

Disability. For an individual, this means:

- A physical or mental impairment that substantially limits one or more major life activities,
- A record of such an impairment, or
- Being regarded as having such an impairment.

Member of Controlled Group or Business Under Common Control

For purposes of figuring the credit, all members of a controlled group of corporations (as defined in section 52(a)) and all members of a group of businesses under common control (as defined in section 52(b)), are treated as a single taxpayer. As a member, compute your credit based on your proportionate share of eligible access expenditures giving rise to the group's disabled access credit. Enter your share of the credit on line 6. Attach a statement showing how your share of the credit was figured, and write "See attached" next to the entry space for line 6.

Specific Instructions

Line 1

Enter total eligible access expenditures paid or incurred during the tax year. See *Eligible Access Expenditures* earlier.

Line 6

Denial of double benefit. To the extent of the credit shown on line 6, the eligible access expenditures may not be claimed as a deduction in figuring taxable income, capitalized, or used in figuring any other credit.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping . . . . 1hr., 54 min.

Learning about the law or the form . . . . . 57 min.

Preparing and sending the form to the IRS . . . . 2 hr., 14 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

The U.S. Equal Employment Opportunity Commission

Facts About Disability-Related Tax Provisions

The Internal Revenue Code has three disability-related provisions of particular interest to businesses as well as people with disabilities.

DISABLED ACCESS TAX CREDIT
(Title 26, Internal Revenue Code, Section 44)

This new tax credit is available to "eligible small businesses" in the amount of 50 percent of "eligible access expenditures" that exceed $250 but do not exceed $10,250 for a taxable year. A business may take the credit each year that it makes an eligible access expenditure.

Eligible small businesses are those businesses with either:

- $1 million or less in gross receipts for the preceding tax year; or
- 30 or fewer full-time employees during the preceding tax year.

Eligible access expenditures are amounts paid or incurred by an eligible small business for the purpose of enabling the business to comply with the applicable requirements of the Americans with Disabilities Act (ADA). These include amounts paid or incurred to:

- remove architectural, communication, physical, or transportation barriers that prevent a business from being accessible to, or usable by, individuals with disabilities;
- provide qualified readers, taped texts, and other effective methods of making materials accessible to people with visual impairments;
- provide qualified interpreters or other effective methods of making orally delivered materials available to individuals with hearing impairments;
- acquire or modify equipment or devices for individuals with disabilities; or
- provide other similar services, modifications, materials or equipment.

Expenditures that are not necessary to accomplish the above purposes are not eligible. Expenses in connection with new construction are not eligible. "Disability" has the same meaning as it does in the ADA. To be eligible for the tax credit, barrier removals or the provision of services, modifications, materials or equipment must meet technical standards of the ADA Accessibility Guidelines where applicable. These standards are incorporated in Department of Justice regulations implementing Title III of the ADA (28 CFR Part 36; 56 CFR 35544, July 26, 1991).

Example: Company A purchases equipment to meet its reasonable accommodation obligation under the ADA for $8,000. The amount by which $8,000 exceeds $250 is $7,750. Fifty percent of $7,750 is $3,875. Company A may take a tax credit in the amount of $3,875 on its next tax return.

Example: Company B removes a physical barrier in accordance with its reasonable accommodation obligation under the ADA. The barrier removal meets the ADA Accessibility Guidelines. The company spends $12,000 on this modification. The amount by which $12,000 exceeds $250 but not $10,250 is $10,000. Fifty percent of $10,000 is $5,000. Company B is eligible for a $5,000 tax credit on its next tax return.

TAX DEDUCTION TO REMOVE ARCHITECTURAL AND TRANSPORTATION BARRIERS TO PEOPLE WITH DISABILITIES AND ELDERLY INDIVIDUALS

(Title 26, Internal Revenue Code, section 190)

The IRS allows a deduction up to $15,000 per year for "qualified architectural and transportation barrier removal expenses." Expenditures to make a facility or public transportation vehicle owned or leased in connection with a trade or business more accessible to, and usable by, individuals who are handicapped or elderly are eligible for the deduction. The definition of a "handicapped individual" is similar to the ADA definition of an "individual with a disability." To be eligible for this deduction, modifications must meet the requirements of standards established by IRS regulations implementing section 190.

TARGETED JOBS TAX CREDIT
(Title 26, Internal Revenue Code, section 51)

Employers are eligible to receive a tax credit up to 40 percent of the first $6,000 of first-year wages of a new employee with a disability who is referred by state or local vocational rehabilitation agencies, a State Commission on the Blind, or the U.S. Department of Veterans Affairs, and certified by a State Employment Service. There is no credit after the first year of employment. For an employer to qualify for the credit, a worker must have been employed for at least 90 days or have completed at least 120 hours of work for the employer. The previous TJTC program authorization, the result of a six-month extension under the Tax Extension Act of 1991 (Pub.L. 102-227), expired on June 30, 1992. The program has been reauthorized for an additional thirty (30) months by the Omnibus Budget Reconciliation Act of 1993 (Pub.L. 103-06, August 10, 1993, retroactive to July 1, 1992). The reauthorization is effective for employees who begin work for the employer after June 30, 1992.

IRS Publication No. 907, providing information on these provisions, may be obtained by calling 1-800-829-3676. For further information, contact the Internal Revenue Service, Office of the Chief Counsel, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044, (202) 566-3292 (voice only).

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