

Shenzhen, China

Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen
T: +86 755 8268 4480

Shanghai, China

Room 603, 6/F., Tower B
Guangqi Culture Plaza
2899A Xietu Road
Xuhui District, Shanghai
T: +86 21 6439 4114

Beijing, China

Room 303, 3/F.
Interchina Commercial Bldg.
33 Dengshikou Street
Dongcheng District, Beijing
T: +86 10 6210 1890

Taipei, Taiwan

Room 303, 3/F.
142 Section 4
Chung Hsiao East Road
Daan District, Taipei
T: +886 2 2711 1324

Singapore

138 Cecil Street
#13-02 Cecil Court
Singapore 069538
T: +65 6438 0116

New York, USA

202 Canal Street
Suite 303, 3/F.
New York
NY 10013, USA
T: +1 646 850 5888

U.S. Small Business Disabled Access Tax Credit Introduction

The disabled access tax credit is a general business tax credit. Businesses must have eligible expenses to receive this tax credit. Expenses incurred to facilitate the work of persons with disabilities are eligible expenses. In addition, the business must also be an eligible small business.

Eligible small businesses generally need to meet the following two requirements:

1. In the preceding tax year, the number of full-time employees in the business did not exceed 30 or the total gross receipts did not exceed one million.
2. The business chooses to apply for the disabled access tax credit for the tax year.

In addition, the IRS has made certain regulations on full-time employees and the total gross receipts of businesses. Full-time employees: Employees who work at least 30 hours a week and who work at least 20 weeks in the tax year. Both the business's sales return and sales allowance will reduce the business's total gross receipts during the tax year.

The IRS stipulates that the expenses incurred in the following four situations are eligible expenses:

1. For the disabled to work more conveniently, small businesses have purchased or improved machines and equipment.
2. For people with hearing impairments, small businesses provide qualified hearing aids, interpreters, audio materials, etc.
3. For people with vision impairments, small businesses allocate qualified vision aids, visual materials, recorded texts, etc.
4. Small businesses remove barriers that prevent people with disabilities from entering the business to work.

People who meet any of the following conditions are considered disabled:

1. There is a major physical or mental impairment that is severe enough to affect one or more major life activities of a person.
2. Or it is considered that there is a major physical or mental impairment.
3. Or there may be records showing major physical or mental impairment.

The disabled access tax credit is 50% of eligible expenses. Eligible expenses can be as high as \$10,250. But the first \$250 is a non-applicable credit. Therefore, the disabled access tax credit can be as high as \$5,000. This tax credit is a non-refundable tax credit. If the disabled access tax credit exceeds the tax owed, the small business will not receive any refund after the tax owed is offset.

To obtain the disabled access tax credit, small businesses need to fill out Form 8826 "Disabled Access Credit" and attach it to the business tax return. Then, small businesses also need to attach Form 3800 "General Business Credit". Certain types of small businesses only need to fill out Form 3800 but do not need to fill out Form 8826, such as a C - corporation.

Reference:

<https://www.irs.gov/pub/irs-pdf/f8826.pdf>

<https://www.irs.gov/businesses/small-businesses-self-employed/tax-benefits-for-businesses-who-have-employees-with-disabilities>

If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or contact us through the following methods:

Email: info@kaizencpa.com,

Tel: +852 2341 1444

M: +852 5616 4140, +86 152 1943 4614

WhatsApp/Line/WeChat: +852 5616 4140

Skype: kaizencpa