



Employer Resources

Tax Credits

Businesses hiring and accommodating people with disabilities may qualify for some of the tax credits and deductions that are offered through the IRS. This is a win-win situation for your business when you hire employees with disabilities; you are hiring dependable, highly skilled, and dedicated individuals. You can also save money through several smart financial benefits and tax credits.

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment.

WOTC joins other workforce programs that incentivize workplace diversity and facilitate access to good jobs for American workers. An employer is eligible for this credit for hiring individuals from any disability category. The Tax Credit for hiring other target groups (except summer youth employees) is up to \$2,400 for each new hire; 40% of qualified first year wages for those employed 400 or more hours; 25% for those employed at least 120 hours (but less than 400). This is a one-time incentive per individual hired.

Disabled Access Tax Credit

The Disabled Access Credit provides a non-refundable credit for small businesses that incur expenditures for the purpose of providing access to persons with disabilities, this credit also incorporates removal of communication barriers (interpreters, reader, taped text, JAWS, or other visual adaptive technology) to acquire or modify equipment and is up to \$5,000. An eligible small business is one that that earned \$1 million or less or had no more than 30 full time employees in the previous year; they may take the credit each and every year they incur access expenditures. Additionally, there is a separate incentive for small business that is up to \$10,500.

Barrier Removal Tax Credit

The Architectural Barrier Removal Tax Deduction encourages businesses of any size to remove architectural and transportation barriers to the mobility of persons with disabilities and the elderly. Businesses may claim a deduction of up to \$15,000 a year for qualified expenses for items that normally must be capitalized. This is an annual credit available for each year that an employer removes a physical, structural or transportation barrier (must own the facility or vehicle) up to \$15,000 per tax year.

More information available from the IRS: *Tax Benefits for Businesses Who Have Employees with Disabilities* (hyperlink to web address <http://www.irs.gov/Businesses/Small-Businesses-%26-Self-Employed/Tax-Benefits-for-Businesses-Who-Have-Employees-with-Disabilities>)

More information available from Department of Workforce Solutions: Juan J. Diaz juan.diaz@state.nm.us OR <http://www.dws.state.nm.us/Business/Resources/WorkOpportunityTaxCredit>

More information available from the NM DVR Business Support Specialist: Kathryn M. Murphy (hyperlink to email address Kathryn.murphy@state.nm.us)