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“HIRING  
MADE  
SIMPLE”

Learn how employing people with  
intellectual and developmental  
disabilities can improve your bottom line!

## Federal and State Tax Incentives For Hiring People with Disabilities

Employers who hire people with IDD can take advantage of a variety of tax credits and incentives. Here's a BRIEF overview of the many state and federal programs available. All the forms mentioned are available by number through the IRS' web portal ([www.irs.gov/forms-instructions](http://www.irs.gov/forms-instructions)).

**The Disabled Access Credit (Form 8826):** Businesses with 30 or fewer employees or \$1,000,000 or less per year in total revenue can receive a tax credit for the **cost of accommodations** provided to an employee (or customer) with a disability. **This credit covers 50% of eligible expenditures up to \$10,250 (maximum credit per year of \$5000).**

**Architectural and Transportation Barrier Removal expenses:** The IRS also 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 more accessible to, and usable by, employees with IDD are eligible for the deduction. Examples include widening doors, building ramps, modifying vehicles). Modifications must meet the requirements of standards established by IRS regulations section 190 (Publication 535, Chapter 7).

### **Targeted Job Tax Credit/ Work Opportunity Tax Credit (Form 5884)**

The Work Opportunity Tax Credit (WOTC) Program is a winning opportunity for businesses to solve key workforce shortages and reduce hiring costs by using the credit for new employees with disabilities. It provides eligible employers with a tax credit **up to 40 percent of the first \$6,000 of first-year wages of a new employee if the employee** is part of a “targeted group.” An employee with IDD is one of the targeted groups for the Work Opportunity Credit, provided that DDS (The Department of Developmental Services) has certified the employee as disabled (see **Screening/Certification Form 8850**). The credit is available to the employer once the employee has worked for at least 120 hours or 90 days.

### **Welfare to Work Tax Credit: (form 8861)**

If a person with a disability is a recipient of Temporary Aid to Needy Families (TANF) at the time of hire; the employer can receive a **federal tax credit for up to \$8,500 per individual hired.**

For more information on any of these incentives, please contact the Work Opportunity Tax Credit Unit at the Connecticut Department of Labor at (860) 263-6060, the New London IRS office at (860) 439-7963, the Warwick, RI IRS office at (401) 826-4797, the Hartford IRS office at (860) 439-7963, or your tax preparer.

*For people with intellectual and developmental disabilities.*