

Massachusetts Commission for the Blind Consumer and Counselor Conversation Guide on Tax Incentives



# Each year, Massachusetts businesses hire talented individuals with disabilities.

These businesses benefit from the contributions of these employees every day. Businesses that hire individuals with disabilities, including Massachusetts Commission for the Blind (MCB) consumers, improve access to employment opportunities for individuals with disabilities. In addition, these businesses stand to benefit from claiming a tax credit or deduction for hiring that individual.

MCB Career Counselors help consumers prepare to join or re-join the workforce. One goal of working with a Career Counselor is to give consumers the tools they need to advocate for themselves when communicating with potential employers. An important part of this advocacy is helping businesses understand the full picture of how they can benefit from hiring a MCB consumer.

This conversation guide will help MCB Career Counselors and consumers alike, to open the dialogue about the benefits of tax incentives to potential employers. There is no one-size-fits-all approach; individual users of this guide may have certain things that work well for them. Use what works best for you!

# **Conversation Principles**

Conversations about disclosure, accomodation, value, and the employee-employer relationship can be difficult. They are often deeply personal, and require trust between the parties. Following these conversation principles can help:

## Choice

Consumers always have a choice when sharing information about their disability. It is important to regularly emphasize "choice" during conversations about employment.

### Empowerment

Empowerment comes with knowledge. Help consumers understand their legal rights related to disclosure and accomodations first, then provide information about employer benefits such as tax incentives.

### A Note on Disclosure:

Remember, employers cannot "force" someone to disclose a disability under the Americans with Disabilities Act. While employers can inquire about a disability in some jobrelated instances, generally, employees do not need to disclose a disability unless they require reasonable accommodations to perform their job duties.

# Self-Advocacy

Knowledge is also essential in self-advocacy. Once a consumer understands their rights and benefits available to them, they will have the power to advocate for themsleves.

# Disclosure

While disclosure is a personal choice, MCB can help provide the information and confidence needed for a consumer to make an informed choice about if, how, and when to disclose.

# **Available Tax Incentives**

Below are common tax incentives for employers hiring individuals with disabilities. Employers should talk with their tax professional about their eligibility for each incentive.

### Work Opportunity Tax Credit

What is it? The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers for hiring individuals facing significant barriers to employment, such as those who are legally blind or veterans. The credit is designed to incentivize workplace diversity and expand job access.

#### How does a business benefit? A

business can claim up to \$9,600 per eligible employee per tax year. The maximum tax credit ranges from \$1,200 to \$9,600 per eligible employee for the tax year.

### Myth: Non-Profits Can't Claim the WOTC

Truth: Tax-Exempt organizations can claim a WOTC. However, unlike their taxable counterparts, the credit is limited to the amount of employer social security tax owed on wages paid to all employees for the period the credit is claimed.

### **Disabled Access Credit**

**What is it?** An eligible small business may claim the "Disabled Access Credit" if they make their business accessible to people with disabilities.

#### What are the benefits to the business?

If the business has invested in any of the following, it should seek the advice of a tax professional to confirm that they are eligible to claim this credit to recoup some of the cost: (continued on next page)



### **Disabled Access Credit (continued)**

- Removing barriers that prevent a business from being accessible to or usable by individuals with disabilities;
- Providing qualified interpreters or other effective methods of making audio materials available to individuals with hearing impairments;
- Providing qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; and
- Acquiring or modifying equipment or devices for individuals with disabilities.

### How much can a business claim?

Businesses can claim 50% of the eligible disabled access expenditures that exceed \$250 but do not exceed \$10,250 for a taxable year, subject to their eligibility.

### **Barrier Removal Deduction**

What is it? Businesses can claim a deduction for making a facility or public transportation vehicle, owned or leased for use in the business, more accessible and usable by individuals with disabilities.

#### What counts as a "facility"?

A facility is all or any part of a building, structure, equipment, road, walk, parking lot, or similar property.

#### What counts as a "vehicle"?

A public transportation vehicle is a vehicle such as a bus or railroad car that provides transportation service to the public or to customers.

#### How much can a business claim?

Businesses can deduct up to \$15,000 in a tax year. Costs over \$15,000 may be added to the tax basis of the property and depreciated over time.



# How to Navigate the Process with Consumers and Employers

Below are some tips to help navigate the process of discussing tax benefits with consumers and employers. This list is not intended to be comprehensive; if there is something else that works for you, use it!

### Don't rush

To effectively discuss tax benefits with potential employers, consumers must have the knowledge, skills, and confidence to self-advocate. Work to develop these before bringing up tax benefits with a potential employer.

### Know before you go

Which of the tax benefits described in this guide is an employer likely to be eligible for? Focus on discussing the benefits that have a higher chance of success.

# Time it right

There may be a small window for employers to file for tax benefits. If you do choose to discuss tax benefits with an employer, do it before or immediately after the date of hire.

#### **Business Awareness**

In a recent MCB survey, only 17% of responding businesses reported that they regularly review their eligibility for tax credits for hiring individuals with disabilities.

To raise awareness of available tax benefits, MCB published a "Tax Guide for Employers" that provides important information about available incentives. The guide is available to the public on MCB's website.



For more information, contact the Massachusetts Commission for the Blind at (617) 727-5550 or MCBinfo@mass.gov.