

The background of the entire page is a photograph of a smiling man with glasses and a mustache, wearing a blue and white striped shirt. He is looking slightly to the right. In the background, another person is visible but out of focus. The entire image has a blue tint.

Massachusetts Commission for the Blind **Tax Guide for Employers**

Each year, Massachusetts businesses hire talented individuals with disabilities.

Yet, while these businesses grow their bottom line through the contributions of these employees, many of those same **businesses are leaving thousands of dollars on the table by not claiming tax credits and deductions** that recognize their commitment to fostering inclusive workplaces.

In 2015, more than 3,000 corporations nationwide claimed the Work Opportunity Tax Credit. Yet in Massachusetts, only 1 in 13 businesses surveyed by the Massachusetts Commission for the Blind had claimed a credit or deduction.

Is your business one of them?

Use this guide to learn more about credits and deductions available to Massachusetts businesses.

It Just Makes Sense

Companies invest significant resources to recruit, train, and retain a strong workforce. To stay competitive, small businesses and corporations alike need to take every advantage they can get.

The Massachusetts Commission for the Blind works with businesses across the Commonwealth to provide access to competitive, vetted talent. But placing the right individual with the right business is only part of the process.

We also want to ensure our businesses can **leverage the tax benefits** of both hiring individuals with disclosed disabilities and of creating environments that allow them to deliver their full potential at work.

Many businesses in the state overlook these credits. The Massachusetts Commission for the Blind wants to help make sure your businesses doesn't.

MCB cannot provide tax advice. However, we can provide information that may be useful to discuss with your tax advisor or accountant. We encourage you to use the information here to start a conversation with your team to **make sure your business is taking advantage of every benefit it can.**

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 job-related instances, generally, employees do not need to disclose a disability unless they require reasonable accommodations to perform their job duties.

Make a Plan

In a recent survey conducted by MCB, 16 out of 35 businesses surveyed stated they didn't know if their business had previously claimed tax credits.

To help make the following information as valuable as possible, make sure you have a plan.

Know Before You Go



Make sure you know who in your organization is responsible for handling tax and human resources issues.

Set a Schedule



Taxes and tax benefits are often based on quarterly or annual deadlines. Want to remember to check for credits? Set a reminder around tax season to do a check.

Create a Checklist (Or Use Ours)



It's easy to forget what to review each year. Use the guide below to create a checklist – or place this guide in a prominent place for your executives or tax advisors to use.

Has your business...

Your business may already be eligible for tax benefits.

Hired an individual with a disclosed disability?

Work Opportunity Tax Credit

What is it? The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers for hiring individuals who have faced 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 my business benefit? Your 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, 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.

Invested in making its workspace or equipment more accessible to those with disabilities?

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 does that mean for my business?

If your business has invested in any of the following, you should confirm if you can claim this credit to recoup some of the cost:

- 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 I claim?

Your business can claim 50% of the eligible disabled access expenditures that exceed \$250 but do not exceed \$10,250 for a taxable year.

Is my business eligible?

If your business has less than \$1,000,000 in gross receipts and invested in any of the accessibility activities described above, you are likely eligible. Talk with your tax professional to confirm.

Modified existing facilities or vehicles to make them more accessible?

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 my 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.



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