

Important Tax Incentives for Improving Accessibility

Your purchase of RehaMed International's products may qualify you for a special tax incentive on your tax return. These tax incentives are available to individuals and businesses that incur expenses to accommodate the needs of someone who is disabled.

Individuals

The Internal Revenue Service lets you deduct in full, as medical expenses, any home improvements and purchases made to accommodate someone in the family who is disabled. These include:

- Entrance or exit ramps to the house
- Widened doorways and entrances or exits to the house
- Railings, support bars, or other modifications installed in bathrooms
- Lowered or modified kitchen cabinets or equipment
- Moved or altered electrical outlets and fixtures
- Installation of porch lifts or other forms of lifts
- Modifications to stairways
- New handrails and grab bars, whether or not in bathroom
- Changes to hardware on doors
- Alternations to areas in front of entrance and exit doorways
- New grading on your property to provide access to the home

Note: If you're claiming expenses as medical deductions, you can deduct only the amount of your expenses that exceed 7.5% of your adjusted gross income. These deductions must be itemized separately with appropriate documentation (receipt), and totaled on the "Medical and Dental Expenses" portion in **Schedule A** of your annual income tax return (Form 1040). Please speak with your Accountant or qualified tax preparer for more information on how to take advantage of this benefit.

Businesses

Two tax incentives are available to businesses to help cover the cost of making access improvements. The first is a Disabled Access Credit that can be used for architectural adaptations, equipment acquisitions, and services such as sign language interpreters. The second is a tax deduction that can be used for architectural and transportation adaptations.

Disabled Access Credit

Small businesses qualify for the Disabled Access Credit if they meet **one** of the following criteria:

- ✓ Had revenues equaling less than \$1,000,000 for the previous tax year
- ✓ Have 30 or fewer **full-time** employees

The amount of the tax credit is equal to 50% of the eligible access expenditures in a year that exceed \$250 but are not more than \$10,250. Thus, the maximum allowable credit is \$5,000. The credit can be used to cover a variety of expenditures including barrier removal, providing interpreters, and the purchase of adaptive equipment (such as our Aquatic Lifts or VitaGlide) or modifying equipment. These expenses must be associated with required adaptations to existing facilities. To apply, you must fill out the **Disabled Access Credit** form (form 8826) and provide appropriate documentation in your tax return. Please speak with your Accountant or qualified tax preparer for more information on how to take advantage of this benefit.

Tax Deduction

The tax deduction allows a business of any size to expense up to a maximum of \$15,000 per year of items that normally must be capitalized (depreciated). This deduction may be used for expenses associated with the removal of architectural or transportation barriers in association with a trade or business that complies with applicable accessibility standards. Please speak with your Accountant or qualified tax preparer for more information on how to take advantage of this benefit.

Small businesses can use these incentives in combination if the expenditures incurred qualify under both the tax credit and tax deduction. For more information regarding these programs for small businesses, please visit <http://www.ada.gov/taxpack.htm>

This information has been compiled by RehaMed International only for your convenience, and is not intended to take the place of professional consultation or official documentation. Please speak with an Accountant or qualified tax preparer for complete details about these programs.