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TAX INCENTIVES FOR BUSINESSES HIRING PEOPLE WITH DISABILITIES

(Phoenix – October 2022) - October is National Disability Employment Awareness Month (NDEAM) and the perfect time to explore the federal tax incentives available for employers who hire individuals with disabilities.

People with disabilities currently represent an untapped resource in our state and across the nation, and companies hiring people with disabilities benefit beyond just filling a position. According to Forbes magazine, they also experience increased productivity for the business, improved organizational culture, and reduced turnover.

Concerns about providing workplace accommodations can worry potential employers, but these concerns are generally exaggerated. Most accommodations for employees cost absolutely nothing for a business to implement, says the U.S. Department of Labor's Office of Disability Employment Policy. And a variety of federal tax incentives can mitigate many of the costs a business does incur, including:

- **Architectural/Transportation Tax Deduction**

All businesses are eligible for an annual tax deduction of up to \$15,000 for qualified expenses incurred in removing physical, structural, and transportation barriers for persons with disabilities.

- **Small Business Tax Credit**

Small businesses are eligible to take an annual tax credit to mitigate the costs of making their businesses accessible to persons with disabilities. The credit is 50% of expenditures over \$250, but may not exceed \$10,250, for a maximum benefit of \$5,000.

- **Work Opportunity Tax Credit**

This program provides a tax credit for employers who hire individuals from certain specified groups including individuals with disabilities receiving vocational rehabilitation referrals. There is no limit on the number of qualified individuals an employer can hire to claim the tax credit.

The Arizona Developmental Disabilities Planning Council (ADDPC), along with numerous partners in the public and private sectors, are working to expand awareness of the available tax credits so business owners are more receptive to recruiting and employing individuals with disabilities.

“There are so many advantages to hiring people with disabilities – from employee loyalty to work ethic to promoting diversity in the workplace,” says ADDPC’s executive director, Jon Meyers. “The opportunity to take advantage of tax credits is icing on the cake. Some employers in Arizona already recognize the benefits. A great many more can and should investigate how employing individuals with disabilities, and utilizing the incentives that come with it, can make a tremendous difference for their bottom line.”

For more information, visit:

- Internal Revenue Service - [Tax Benefits for Businesses Who Have Employees with Disabilities](#)
- U.S. Chamber of Commerce - [Employer Guide To Tax Credits For Hiring Employees With Disabilities](#)

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The Arizona Developmental Disabilities Planning Council serves as Arizona’s innovation lab for residents with developmental disabilities, along with their families, providing education, advocacy, research, and support to projects that accomplish our three current goals: increasing employment opportunities, encouraging individuals to advocate for themselves, and creating inclusive communities for everyone.

A staff of six assists the all-volunteer Council, which is made up of individuals with disabilities, family members, professionals in the disability field, stakeholders, and state agency representatives appointed by the Governor of Arizona. Visit us on [Facebook](#), [Twitter](#), and [Instagram](#).