



ISSUE BRIEF: The Disability Employment Incentive Act

Legislative Request

Please cosponsor the Disability Employment Incentive Act (H.R.3992/ S.255).

- House:** Contact Simon Korn with Rep. Josh Harder simon.korn@mail.house.gov or at (202) 225-4540.
- Senate:** Contact Michael Gamel with Sen. Casey at McCormick@aging.senate.gov or (202) 224-6324

Background and Summary

The 2015 National Employment & Disability Survey indicated that between 60-80 percent of Americans with Disabilities wants to work.¹ Despite this, the Department of Labor states that only 18.7 percent of people with disabilities are in the workforce in 2017.²

The Disability Employment Incentive Act would help further these objectives by enhancing the Work Opportunity Tax Credit, the Disability Access Expenditures Tax Credit, and the Architectural and Transportation Barrier Tax Credit, all of which support employers who hire individuals with disabilities to make workplaces more accessible.

The bill includes the following three components:

Work Opportunity Tax Credit—this is a federal tax credit given to employers who hire individuals from a certain target group. The bill would increase the tax credit for those hired with a disability from the following target groups: Vocational Rehabilitation Referral, Supplemental Security Income (SSI) recipient, and Social Security Disability Insurance (SSDI) recipient.

The credit will continue to be 40 percent of the individual's salary for the first year of employment, but raise the amount of the salary considered for credit from \$6,000 to \$12,500, raising the maximum available tax credit from \$2,400 to \$5,000. The DEIA also provides a tax credit for any business that retains an employee for the second year of employment and permits

¹ https://kesslerfoundation.org/sites/default/files/filepicker/5/KFSurvey15_Results-secured.pdf

² <https://www.bls.gov/news.release/pdf/disabl.pdf>

the business to take a credit on 20 percent of the employee's salary up to \$12,500, which is a \$2,500 credit.

Disability Access Expenditures Tax Credit—The DEIA will increase this credit, available to small businesses with gross receipts of less than \$3 million annually or with no more than 60 full-time employees. The maximum tax credit will be raised from \$5,000 to \$10,000.

Architectural and Transportation Barrier Tax Credit—The DEIA will increase this tax credit to \$30,000 for expenses incurred during a single year by a business in removing existing physical barriers in qualified facilities or transportation vehicles. Businesses will also be able to take the credit for expenses for making their telecommunications and online business operations accessible. This tax credit has been available since 1976 and the current limit is \$15,000. The credit may not be used for new structures, only for existing structures where the expenses are used to create accessible spaces to the standards of the U.S. Access Board.³