

State of Rhode Island - Division of Taxation

Tax Credits/Deductions

Regulation CR 98-10

Disabled Access Credit for Small Businesses

I. GENERAL

Effective January 1, 1998, a small business taxpayer that pays for or incurs expenses in Rhode Island to provide access to persons with disabilities shall be allowed a 10% credit up to \$1,000 against the Business Corporation Tax (R.I.G.L. 44-11) or Public Service Corporation Tax (R.I.G.L. 44-13).

II. DEFINITIONS

- (1) "Small business" is one that for the preceding tax year had thirty (30) or fewer full-time employees, or had one million dollars (\$1,000,000) or less in gross receipts.
- (2) "Full-time employee" is one employed at least thirty (30) hours a week for twenty (20) or more calendar weeks in the proceeding tax year.
- (3) "Amount expended" means the actual sum of money spent.

III. QUALIFYING EXPENSES

A. Expenses must be paid or incurred on or after January 1, 1998, and may be only for:

- (1) removing architectural, communication, physical, or transportation barriers;
- (2) providing qualified interpreters or other effective methods of delivering aurally delivered materials to persons with hearing impairments;
- (3) providing readers, tapes or other effective means of making visually delivered materials available to persons with visual impairments;
- (4) providing job coaches or other effective methods of supporting workers with severe impairments in competitive employment;
- (5) providing specialized transportation services to employees or customers with mobility impairments;
- (6) buying or modifying equipment for persons with disabilities; and
- (7) providing similar services, modifications, materials or equipment for persons with disabilities.

B. Expenses paid or incurred by the small business may also include payments for eligible items

listed above which are capitalized and depreciated by the small business.

C. The expenses must be paid or incurred to enable the small business to comply with Federal or state laws protecting the rights of persons with disabilities. Such laws include, but are not limited to:

- Americans with Disabilities Act of 1990, as amended (42 USC 12100 et seq.);
- Title V of the Rehabilitation Act of 1973, as amended (29 USC 794);
- Declaration of Certain Constitutional Rights and Principles - Discrimination (RI Constitution Article 1, Section 2);
- Discrimination Against Handicapped (Section 42-87);
- Open Meeting Handicapped Accessibility (Section 42-46-13);
- Access for Physically Handicapped (Section 37-8-15); and
- AIDS Discrimination Prohibited (Section 23-6-22).

D. In the event that qualifying expenses paid or incurred which are also eligible to be included in the calculation of other Rhode Island tax incentives, such as but not limited to, investment credit or specialized investment credit for mill buildings, the small business must elect to use them in only one incentive.

IV. LIMITATIONS AND MISCELLANEOUS

A. The credit cannot reduce the small business' tax for that tax year below the minimum for the chapter under which the business is filing.

B. The credit is not refundable and any amount of credit not used may not be carried over to any subsequent year.

C. If the small business is included in a consolidated return, the credit is allowed against the tax of only the corporation which qualifies for the credit and will not be allowed against the tax of other corporations that may join in the filing of a consolidated state tax return with the small business.

R. GARY CLARK
TAX ADMINISTRATOR
EFFECTIVE: JANUARY 1, 1998