

**CCH-EXP, 2009FED ¶4401.01, Disabled Access Credit: Synopsis - credit for providing access to disabled individuals**

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**Disabled Access Credit: Synopsis - credit for providing access to disabled individuals**

An eligible small business is entitled to a nonrefundable income tax credit for expenditures incurred to make a business accessible to disabled individuals ( Code Sec. 44(a)). The amount of the disabled access credit is 50 percent of the amount of eligible access expenditures for a year that exceed \$250 but do not exceed \$10,250.

The disabled access credit is computed on Form 8826, "Disabled Access Credit," and is claimed as one of the components of the general business credit under Code Sec. 38 (see ¶4251.01). Accordingly, the disabled access credit is subject to the limitation of Code Sec. 38 and the carryback and carryforward rules of Code Sec. 39 (see ¶4251.025 and ¶4301.01).

The carryback period for the disabled access credit is limited in order to coordinate the carryback with the period of application of the credit. Thus, the credit may not be carried back to a tax year ending before November 5, 1990 ( Code Sec. 39(d)(2)). Any unused credit remaining at the end of the carryforward period is lost because this credit does not qualify for the Code Sec. 196 deduction ( Code Sec. 196(c), see ¶12,430.01).

No other deduction or credit is permitted for any amount for which a disabled access credit is allowed ( Code Sec. 44(d)(7)). Also, no increase in the adjusted basis of property is permitted for an amount for which a disabled access credit is allowed.

The members of the same controlled group of corporations (within the meaning of Code Sec. 52(a), see ¶4860.021 et seq.) and all persons under common control (within the meaning of Code Sec. 52(b)) are treated as one person for purposes of the credit. Regulations to be issued will provide for the apportionment of the \$10,250 limitation (on the amount of expenditures that are taken into account in determining the credit) among the members of the group ( Code Sec. 44(d)(2)).

In the case of a partnership, the \$10,250 limitation on the amount of expenditures that are taken into account in determining the amount of the credit applies at the partnership level and the partner level. Similarly, the dollar limitation applies at both the S corporation level and the shareholder level ( Code Sec. 44(d)(3)).

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