Disability Employment Incentive Act of 2018

Introduced by Senator Bob Casey (D-PA)
Ranking Member, Senate Special Committee on Aging

The Disability Employment Incentive Act (DEIA) is designed to encourage employers to hire and retain employees with disabilities. It enhances three existing tax credits to support employers who hire individuals with disabilities and make workplaces more accessible to those employees.

The need to increase disability employment is great. While studies indicated that 60 to 80 percent of individuals with disabilities report they want to work (1, 2), only 32.2 percent of people with disabilities are in the workforce according to a May 2018 report from the Bureau of Labor Statistics (3), less than half the rate at which people without disabilities participate in the workforce.

Many barriers continue to exist, including prejudice about the abilities of people with disabilities and workplace barriers that make it more difficult for people with disabilities to conduct their work. The tax credits will provide incentives to small and large employers and not only encourage employers to hire but to retain individuals with disabilities as members of their workforce. A description of the three component of the DEIA follow.

Work Opportunity Tax Credit—The DEIA will increase the tax credit for employers who hire a person with a disability referred to them through a state Vocational Rehabilitation agency or a person who is receiving Supplemental Security Income (SSI) benefits. The credit will be 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 a second year of employment and permits the business to take a credit on 20 percent of the employee’s salary up to $12,500, or $2,500.

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. This tax credit has been available since 1976. The current limit $15,000. The credit may not be used for new structures, only for expenses to make existing structures where they expenses are used to create accessible spaces to the standards of the U.S. Access Board.

For questions about the DEIA, contact Michael Gamel-McCormick at michael_gamel-mccormick@aging.senate.gov or 202-224-4193.

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1 https://kesslerfoundation.org/sites/default/files/filepicker/5/KFSurvey15_Results-secured.pdf
2 https://news.rutgers.edu/news-release/people-disabilities-want-work-have-similar-job-preferences-others-rutgers-researcher-finds/20080923#.Wx_jazbf0UJ