Who is eligible?

- Any private, for-profit employer
- Tax-exempt organizations, if hiring a veteran

What types of employees are included in "target groups?"

- Supplemental Security Income (SSI) recipients or Social Security Disability Insurance (SSDI) Ticket-to-Work holders
- Long-term family cash assistance recipients
- Other family cash assistance recipients
- Veterans that are receiving SNAP (food stamps), are disabled or unemployed (check website for all the options www.doleta.gov/wotc)
- SNAP (food stamp) recipients (18-39 years of age)
- Rural Renewal County residents (18-39 years of age)
- Vocational rehabilitation referrals
- Ex-felons

Photo credit: National Organization on Disability

What are the benefits for employers?

The WOTC program can save employers up to $2,400 per hire, while the long-term family cash assistance recipients target groups can save the employer up to $9,000 over a two-year period. Hiring veterans could save employers from $2,400 to 9,600 per new hire.

There are no restrictions on the number of employees hired under the program. The program applies to first-time hires only. No tax credit can be claimed for wages paid to relatives or for federal subsidized on-the-job training (e.g. Vocational Rehabilitation (VR) or Workforce Investment Act (WIA) employment and training programs); however, wages paid after the subsidy expires can qualify for the credit.

For more information, visit KansasCommerce.com or call the Kansas Department of Commerce Workforce Services Division at (785) 296-7435.

Additional copies can be printed at www.kcdcinfo.com/empinc

For more information about:
Kansas Commission on Disability Concerns
Phone: (785) 296-1722
Toll Free Phone: 1-800-295-5232
TTY: 711
Website: www.kcdcinfo.com
Employer Website: www.KansasEmployAbility.com

EMPLOYMENT INCENTIVES

Photo credit:
Guide Dogs for the Blind

Kansas
Office of the Governor
Commission on Disability Concerns

Kansas Bidders Preference Program

The State of Kansas believes people with disabilities should be employed and the following incentives have been established to promote hiring people with disabilities. Businesses interested in contracting with the State of Kansas are eligible for preferences when they hire significant numbers of people with disabilities who are receiving services from the Home and Community-Based Services (HCBS) waiver ***or*** purchase products and/or services from Use Vendors.

Use Vendors primarily employ people with disabilities and their primary purpose is to provide employment for people with disabilities. The products and services for sale are listed in a catalog maintained by the Kansas Department of Administration. To see the catalog, go to www.ksstateuse.org.

The **first incentive** is for those certified businesses that have hired 20 percent of their employees who are people with disabilities and commit to maintain 20 percent through the life of the contract. The contract bid may be for no more than 10 percent over the lowest bid.

A certified business

- Does business primarily in Kansas or substantially all of its production in Kansas;
- Employs at least 20% of its employees who are individuals with disabilities and reside in Kansas;
- Offers to contribute at least 75% of the premium cost for individual health insurance coverage for each employee. The level of such coverage shall be at least equal to the level of benefits offered by the state employee benefit program established by K.S.A. 75-6501 et seq., and amendments thereto. The Department of Administration shall require a certification of these facts as a condition to the certified business being awarded a contract pursuant to subsection (b); and
- Does not employ individuals under a certificate issued by the United States secretary of labor under subsection (c) of 29 U.S.C. § 214;

The **second incentive** is for those businesses that purchase products or services from Use Vendors. The dollar amount of purchases made during the previous fiscal year is deducted from the original bid up to 10 percent.

The **third incentive** is for those businesses that purchase products or services from certified businesses. The dollar amount of purchases made during the previous fiscal year is deducted from the original bid up to 10 percent.

For more information, go to http://www.da.ks.gov/purch/preferences.htm or call Jesse Hodgson, Division of Purchasing, 785-296-2401.

Federal Incentives

The federal government offers tax incentives to businesses that increase their accessibility to individuals with disabilities. Incentives include tax credits, which are treated as payments already made toward taxes owed, and tax deductions, which reduce taxable income. Because of the complex nature of tax laws, interested businesses should consult their tax attorney, accountant or the Internal Revenue Service.

Federal Access and Accommodation Incentives

Two federal tax incentives are available to businesses to help cover the cost of making access improvements. The first is the **Disabled Access Tax Credit**, which can be used for architectural adaptations, equipment acquisitions and services such as sign language interpreters. The second federal incentive is the **Barrier Removal Tax Deduction**, which can be used for architectural and transportation adaptions. These two incentives can be used in combination if the expenditures qualify under Sections 44 and 190. In such a case, the deduction is equal to the difference between the total expenditures and the amount of the credit claimed. Both the tax credit and the deduction can be used annually. However, you may not carry over expenses from one year to the next.

Disabled Access Tax Credit (Title 26, Internal Revenue Code, Section 44)

This tax credit is available to help small businesses cover Americans with Disability Act related eligible access expenditures. A business that had either revenues of $1 million or less or 30 or fewer full-time workers for the previous tax year may take advantage of this credit. The amount of the tax credit is equal to 50 percent of the eligible access expenditures in a year that exceed $250 but are not more than $10,000. Thus, the maximum allowable credit is $5,000. The credit can be used to cover a variety of expenditures, including:

- Barrier removal
- Providing interpreters
- Making materials accessible to people with visual impairments
- Providing or modifying equipment

The expenses must be associated with required adaptation to existing facilities, not for costs of new construction.

For more information, visit www.irs.gov and search for Form 826 or call the IRS Business Information Service Line at (800) 829-4933.

Barrier Removal Tax Deduction (Title 26, Internal Revenue Code, Section 190)

This tax deduction allows a business of any size to deduct up to $15,000 per year in items that normally must be capitalized (depreciated). This deduction may be used for expenses associated with the removal of architectural or transportation barriers in association with a trade or business that comply with applicable accessibility standards. Additional information relating to qualified architectural and transportation barrier removal can be found in Internal Revenue Code Regulation 1.190-2.

For more information, visit www.irs.gov or call the IRS Business Information Service Line at (800) 829-4933.

Federal Employment Incentive

Work Opportunity Tax Credit (WOTC)

The Work Opportunity Tax Credit (WOTC) program provides a federal income tax credit to employers who hire individuals from targeted groups that have traditionally faced barriers to employment.