

Living and Working with Disabilities

This publication presents basic information about existing tax credits and benefits that may be available to qualifying taxpayers with disabilities, parents of children with disabilities, and businesses or other entities wishing to accommodate persons with disabilities.

Tax Benefits and Credits

More detailed information on these topics can be found in IRS Publication 907, *Tax Highlights for Persons with Disabilities*, and in the other publications cited below.

AS A PERSON WITH A DISABILITY, you may qualify for some of the following tax deductions, income exclusions, and credits. More detailed information may be found in the IRS publications referenced.

Standard Deduction: If you are legally blind, you may be entitled to a higher standard deduction on your tax return.

See [IRS Publication 501](#)

Gross Income: Certain disability-related payments may be excluded from gross income. Allowances paid by the Department of Veterans Affairs (VA) and Supplemental Security Income (SSI) are not included in gross income.

See [IRS Publication 525](#)

Impairment-Related Work Expenses: If you are an employee and have a physical or mental disability that functionally limits your employment, you may be able to claim business expenses for attendant care at your workplace and other expenses in connection with your workplace that are necessary for you to work.

See [IRS Publication 529](#)

Credit for the Elderly or Disabled: You may be able to claim this credit if you are 65 or older or if you are under 65 and you retired on permanent and total disability.

See [IRS Publication 524](#)

Medical Expenses: are the costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and the costs for treatments affecting any part or function of the body. They include the costs of equipment, supplies, and diagnostic devices needed for these purposes. They also include dental expenses.

See [IRS Publication 502](#)

Earned Income Tax Credit (EITC): is a tax credit for certain people who work and have low to moderate earned income. A tax credit usually means more money in your pocket. It reduces the amount of tax you owe. The EITC may also give you a refund. Many working individuals with a disability that have no qualifying children, who are at least 25 years of age but under 65 years of age, qualify for EITC. Earnings for EITC purposes can include disability benefits you receive from your employer's disability retirement plan, until you reach minimum retirement age.

Refunds received from the EITC the Child Tax Credit (CTC) or other refundable credits are not considered income and is not counted as a

resource for at least 12 months from when you receive it for benefits or assistance under any Federal program or under any State or local program financed in whole or in part with Federal funds. It is always best to check with your local benefit coordinator to find out if your benefits fall under this provision.

You must file a tax return to determine your eligibility to claim the EITC. Many people with disabilities miss out because they owe no tax so they do not file a tax return.

See [IRS Publication 596](#)

AS A PARENT OF A CHILD WITH A DISABILITY, you may qualify for some of the following tax exemptions, deductions and credits. More detailed information may be found in the IRS publications referenced.

Dependents: You may be able to claim your child as a dependent regardless of age if they are permanently and totally disabled.

Permanently and totally disabled:

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition.
- A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

Dependent with a disability working at Sheltered Workshop: You may be able to claim a dependency exemption for a qualifying child or qualifying relative. Gross income does not include income from services the individual performs at a sheltered workshop however they must still meet the other dependency tests.

See [IRS Publication 501](#)

Adoption Credit: You may be able to claim an adoption credit and exclude employer-provided adoption benefits from your income if you adopt a child with special needs.

See [IRS Publication 907](#)

EITC for parents of children with disabilities: You may qualify for this credit if your qualifying child is permanently and totally disabled, regardless of age, as long as you meet the other requirements.

See [IRS Publication 596](#)

Child or Dependent Care Credit: You may be entitled to this credit if you pay someone to come to your home and care for your dependent or spouse regardless of their age if they are unable to care for themselves. Persons who cannot dress, clean, or feed themselves

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because of physical or mental problems are considered not able to care for themselves. Also, persons who must have constant attention to prevent them from injuring themselves or others are considered not able to care for themselves.

See [IRS Publication 503](#)

Medical Conferences: You can include in medical expenses amounts paid for admission and transportation to a medical conference if the medical conference concerns the chronic illness of yourself, your spouse, or your dependent.

See [IRS Publication 502](#)

AS A BUSINESS WISHING TO ACCOMMODATE PERSONS WITH DISABILITIES,

you may qualify for some of the following tax credits and deductions. More detailed information may be found in the IRS publications referenced. Disabled Access Credit: This is a tax credit for an eligible small business that pays or incurs expenses to provide access to persons with disabilities. The expenses must be to enable the eligible small business to comply with the Americans with Disabilities Act of 1990. (IRS Code Section 44)

See [IRS Publication 535 and Form 8826](#)

Barrier Removal Tax Deduction: Businesses may be able to take an annual deduction for expenses related to removing physical, structural, and transportation barriers for people with disabilities.

See [IRS Publication 535](#)

Work Opportunity Tax Credit: This credit provides employers with an incentive to hire persons from certain population groups having a particularly high unemployment rate or other special employment needs, such as Supplemental Security Income (SSI) recipients, Vocational Rehabilitation referrals and Veterans with disabilities.

See [IRS Form 5884, Form 3800, and Form 8850](#)

REQUEST FOR PUBLICATIONS ◀ ▶

All of the following forms and publications are available electronically from the Internal Revenue Service at www.irs.gov, 24 hours a day, 7 days a week.

For a free paper copy of any listed form or publication call 1-800-829-3676 (1-800-TAX-FORM). For additional questions about these credits and benefits you can call 1-800-829-1040. If you use TTY/TDD equipment, call 1-800-829-4059 to order forms and publications and to ask tax questions.

- Publication 907, *Tax Highlights for Persons with Disabilities*
- Publication 501, *Exemptions, Standard Deduction, and Filing Information*
- Publication 535, *Business Expenses*

- Publication 525, *Taxable and Nontaxable Income*
- Publication 529, *Miscellaneous Deductions*
- Publication 524, *Credit for the Elderly or the Disabled*
- Publication 502, *Medical and Dental Expenses*
- Publication 596, *Earned Income Credit (EIC)*
- Publication 503, *Child and Dependent Care Expenses*
- Form 8826, *Disabled Access Credit*
- Form 3800, *General Business Credit*
- Form 5884, *Work Opportunity Credit*

IRS Alternative Media Center (AMC) – all IRS documents are accessible to persons using assistive technology, including screen reading software, refreshable Braille displays, and voice recognition software.

For more information about products and services the IRS provides to taxpayers with disabilities, visit the accessibility pages on www.irs.gov. To order hard-copy Braille or large print, call the IRS at **1-800-829-3676**.

Videos in American Sign Language (ASL) – ASL Videos are hosted on the IRS YouTube channel at www.youtube.com/IRSVideosASL. You are welcome to post the videos on your Web site as well.

Taxpayer Advocate Service (TAS) – TAS is your voice at the IRS. TAS is an independent organization within the IRS and helps taxpayers resolve problems with the IRS and recommend changes that will prevent the problems.

For more information about TAS, visit www.irs.gov/advocate or call the toll-free phone number at **1-877-777-4778**.

FREE TAX PREPARATION ASSISTANCE ◀ ▶

Volunteer Income Tax Assistance (VITA) Sites offer free tax return preparation to individuals having low to moderate income. Call **1-800-906-9887** for a VITA site near you or visit the [VITA Locator Tool](#).

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