



IR-2015-98: For ADA Anniversary: IRS Spotlights Tax Benefits and Services for People With Disabilities

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For ADA Anniversary: IRS Spotlights Tax Benefits and Services for People With Disabilities

WASHINGTON — Sunday, July 26th is the 25th anniversary of the Americans With Disabilities Act, and the Internal Revenue Service is marking the occasion by spotlighting a number of tax benefits and services that can help taxpayers with disabilities.

ABLE Accounts

This new program was passed by Congress in December. Under the law, states can offer specially designed, tax-favored [ABLE](#) accounts to people with disabilities who became disabled before age 26. Recognizing the special financial burdens faced by families raising children with disabilities, ABLE accounts are designed to enable people with disabilities and their families to save for and pay for disability-related expenses.

Any state can offer its residents the option of setting up one of these ABLE accounts, or if it chooses, contract with another state that offers such accounts. Contributions totaling up to the annual gift tax exclusion amount, currently \$14,000, can be made to an ABLE account each year, and distributions are tax-free if used to pay qualified disability expenses.

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Low- and moderate-income workers and working families often qualify for the Earned Income Tax Credit (EITC), a refundable credit that varies by income, filing status and family size. Although many eligible taxpayers with disabilities get the EITC, the IRS estimates that as many as 1.5 million others miss out on it each year because they fail to file a federal income tax return.

But there's still time to get the EITC. Generally, eligible taxpayers can still file a return claiming the credit for tax year 2012, 2013 or 2014. People can see if they qualify by visiting IRS.gov and answering a few questions using the [EITC Assistant](#).

Another credit, the credit for child and dependent care expenses, can help working taxpayers paying the cost of caring for a spouse or dependent who is physically or mentally unable to care for themselves. Use [Form 2441](#) to claim the credit. For further details, see [Publication 503](#).

Deductions Available

Taxpayers with disabilities can deduct various impairment related work expenses on their federal income tax return. Both employees and self-employed individuals may qualify.

In addition, various unreimbursed disability-related expenses qualify as deductible medical expenses. However, to get a tax benefit, an eligible taxpayer must itemize their deductions on [Schedule A](#), and their total medical expenses must exceed 10 percent of their adjusted gross income (7.5 percent for taxpayers who are at least age 65). Eligible expenses include:

- Artificial limbs, contact lenses, eyeglasses and hearing aids
- Cost and repair of special telephone equipment for people who are deaf or hard of hearing
- Cost and maintenance of a wheelchair
- Cost and care of a guide dog or service animal
- Within limits, premiums for qualified long-term care insurance.

For a detailed list of qualifying medical expenses, see [Publication 502](#).

Tax Help

[Publication 907](#), available on IRS.gov, highlights these and other tax benefits for people with disabilities, including special rules for reporting disability income. During the tax-filing season, trained community volunteers prepare tax returns for low-and moderate-income taxpayers, including many people with disabilities, at thousands of neighborhood tax help sites nationwide through the IRS-sponsored Volunteer Income Tax Assistance [VITA](#) and Tax Counseling for the Elderly (TCE) programs. Last year alone, more than half a million returns were prepared, and in most cases electronically-filed, for taxpayers with disabilities.

Year round, the IRS also offers a variety of helpful resources through the [Accessibility](#) link on IRS.gov. These include [accessible](#) IRS forms, instructions and publications that can be downloaded or viewed online in text-only format, Braille-ready files, browser-friendly HTML, accessible PDF, large print and ePub for mobile devices. The IRS has also produced 100 YouTube videos in [American Sign Language](#) on topics ranging from the Taxpayer Bill of Rights to the EITC. In addition, taxpayers can request reasonable accommodations for services in any federally funded or federally assisted tax program or facility.

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