



SASKATCHEWAN HUMAN RIGHTS COMMISSION

THE SASKATCHEWAN HUMAN RIGHTS COMMISSION AccessAbility: Tax Deductions for Disability-Related Modifications

1. Introduction

Your business may be eligible for tax deductions for ‘disability-related modifications’¹ made to your premises. It is important for your business to know about the tax deductions, particularly where you:

- wish to make your premises accessible,
- have the duty to accommodate an employee, or
- are in settlement discussions where a complaint has been made to the Saskatchewan Human Rights Commission, or within your office.

This information is not legal advice. It is intended to provide you with information you may not have otherwise known. Tax legislation is subject to change. Please speak to a tax professional or the Canada Revenue Agency (CRA) to be sure such deductions exist for you.

2. *The Income Tax Act*²

Section 20(1) of the *Income Tax Act* deals with permitted business deductions. Sections 20(1)(qq) and 20(1)(rr) deal with “disability-related modifications” and “disability-related equipment”.

Deductions permitted in computing income from business or property

20. (1) Notwithstanding paragraphs 18(1)(a), 18(1)(b) and 18(1)(h), in computing a taxpayer’s income for a taxation year from a business or property, there may be deducted such of the following amounts as are wholly applicable to that source or such part of the following amounts as may reasonably be regarded as applicable thereto

Disability-related modifications to buildings

(qq) an amount paid by the taxpayer in the year for prescribed renovations or alterations to a building used by the taxpayer primarily for the purpose of gaining or

¹ Language used by the Canada Revenue Agency

² R.S.C., 1985, c. 1 (5th Supp.)

producing income from the building or from a business that are made to enable individuals who have a mobility impairment to gain access to the building or to be mobile within it

Disability-related equipment

(*rr*) an amount paid by the taxpayer in the year for any prescribed disability-specific device or equipment

3. Canada Revenue Agency

The CRA's web-site (<http://www.cra-arc.gc.ca/menu-eng.html>) contains valuable information about tax deductions available to businesses. The deduction rules may differ depending upon whether you are a corporation, sole proprietorship, or partnership. The CRA issues interpretation bulletins and guides, which contain useful information.

Corporation Income Tax Guide 2010 (T4012)³

The CRA's Corporation Tax Guide 2010 states:

You can deduct outlays and expenses you incur for eligible disability-related modifications made to a building in the year you paid them, instead of having to add them to the capital cost of your building. Eligible disability-related modifications include changes you make to accommodate wheelchairs. You can also deduct expenses paid to install or get disability-related devices and equipment.

You can claim this as "Other deductions" on Schedule 1, *Net Income (Loss) for Income Tax Purposes*.

Sole Proprietorship and Partnerships – Business and Professional Income (T4002)⁴

The CRA's Business and Professional Income Guide 2010 states:

You can deduct outlays and expenses you incur for eligible disability-related modifications made to a building in the year you paid them, instead of having to add them to the capital cost of your building.

Eligible disability-related modifications include changes you make to accommodate wheelchairs, such as:

- Installing hand-activated power door openers;
- Installing interior and exterior ramps; and
- Modifying a bathroom, elevator or door-way.

You can also deduct expenses paid to install or get the following disability-related devices and equipment:

³ Found at: <http://www.cra-arc.gc.ca/E/pub/tg/t4012/t4012-11e.pdf>

⁴ Found at: <http://www.cra-arc.gc.ca/E/pub/tg/t4002/t4002-10e.pdf>

- Elevator car-position indicators (such as Braille panels and audio indicators);
- Visual fire-alarm indicators;
- Telephone devices to help people who are hard of hearing; and
- Listening devices for group meetings.

In addition, you may be able to deduct expenses for disability-specific computer software and hardware attachments.

4. Summary

This document serves to make you aware of tax deductions that may be available to you for 'disability-related modification' expenses incurred by your business.