

ADA INFORMATION

What is the ADA?

It stands for the Americans with Disabilities Act. The Americans with Disabilities Act requires facilities to provide equal access and opportunity to persons with disabilities. This includes those in wheelchairs.

What is an ADA tax credit?

It is a tax credit for expenditures to provide access to disabled individuals. Under Internal Revenue Code, Section 44, an Income Tax credit (not just a deduction) of up to \$5,000 is available on the cost of equipment purchased to comply with the ADA. Wheelchair accessible equipment, including the VLT Rope Climber, would qualify in most areas.

Refer to Code Section 44 of the Federal Tax Guide for more detailed information. Use Tax Form 8826 to Claim your ADA Tax Credit.

How much credit is available?

The amount of the credit is 50% of the amount of eligible access expenditures for a year that exceed \$250 but do not exceed \$10,250. No other deductions or credits are permitted for any amount for which a disabled access tax credit is allowed. The maximum tax credit allowable \$5,125.

Who is eligible?

An eligible small business is defined as any person who elects to claim the disabled access tax credit and either:

1) Had gross receipts for the preceding tax year that did not exceed one million dollars.

OR

2) Had no more than 30 full time employees during the preceding tax year.

*Facilities should consult their professional tax advisor to verify eligibility.

What are the eligible expenditures?

1) Costs relating to the removal of architectural, communication, physical or transportation barriers that prevent a business from being accessible to, or usable by, disabled individuals.

NOTE: Costs incurred during new construction do not qualify. Also, the taxpayer faces the burden of proving to the IRS that barrier removal complies with the standards of the Architectural and Transportation Barriers Compliance Board.

2) To provide qualified interpreters or other effective methods of making aurally delivered materials available to hearing impaired individuals.

3) To provide qualified readers, taped texts, and other effective methods of making visually delivered materials available to visually impaired individuals.

4) To acquire or modify equipment or devices for disabled individuals.

* This is the most applicable to the fitness industry

5) To provide other similar services, modifications, materials, or equipment.

Does Marpo Kinetics have eligible equipment?

YES! The VLT Compact Rope Climber is perfect for clubs who wish to take advantage of this tax credit:

- It complies with the Americans with Disabilities Act.
 - It provides easy wheelchair access.
 - It is extremely usable and popular with non-disabled members as well as those with disabilities.
 - It looks like normal pieces of fitness equipment and could be integrated easily into any fitness facility.
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How do I get more information?

The best way to get more information on the ADA tax credit is to consult your professional tax advisor or tax accountant. Tax laws change from year to year and a tax professional would have the most current information.

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