



## **Tax Incentives for Improving Accessibility for Canadians with Disabilities**

### **Official Presentation to the Federal Standing Committee on Finance 2009 Pre-Budget Consultations**

Brief Submitted to:  
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## **Executive Summary**

A barrier to a workplace reduces or eliminates the contribution of an employee with a disability. A barrier to an educational institution reduces the opportunities for learning and development for a student, a faculty member, or staff member with a disability. A barrier to a business reduces the economic activity that could otherwise be generated by a person with a disability. A barrier to a government building, such as a legislature, excludes the public policy potential and vision of an individual with a disability.

Since 1951, March of Dimes has worked to identify, eliminate and prevent barriers to the full participation and inclusion of Canadians with disabilities in all aspects of our society and our economy.

“According to a recent report by the Conference Board of Canada, one of the things that distinguishes successful businesses from unsuccessful ones is that successful businesses embed accessibility in their business practice. They understand that people with disabilities and seniors are a large and growing segment of the population that wields tens of billions of dollars in purchasing power.” (Source: [www.accesson.ca](http://www.accesson.ca))

Today, significant barriers exist. At the same time, there is some movement among governments at all levels to address the barriers that lead to exclusion and build the supports that help achieve accessibility.

This dialogue with the Standing Committee on Finance represents an important part of this public policy process.

Improving programs, services and opportunity for Canadians with disabilities both helps create a society defined by inclusion as well as advances the potential to stimulate parts of the economy.

The Government of Canada offers a number of very good programs and services that help improve the lives and livelihoods of Canadians with disabilities – and their families and caregivers. Recent examples include the Registered Disability Savings Program and various tax measures, ie. the Disability Tax Credit, that recognizes the increased expenses often associated with a disability.

The Government of Canada has a critical role in the direct delivery of programs and services to Canadians with disabilities. The government can and should do considerably more in the areas of funding for affordable and accessible housing, an area that is subject to significant discussion.

Equally important, however, is the fact that the government also has a fundamentally critical role in facilitating an environment in which individuals,

public sector organizations and private sector businesses can contribute to identifying, eliminating and preventing barriers to the full participation of Canadians with disabilities.

It is this environment and the ways in which we build it that constitute the focus of our recommendations. Specifically, March of Dimes recommends to this Committee that, in addition to enhancing the existing programs and services to Canadians with disabilities – notably the funding for accessible and affordable housing, that the government explore the use of tax instruments and similar measures that facilitate and encourage overall accessibility in Canada.

Tax incentives for improving accessibility in Canada should not replace or take precedence over the critical role that government has in the direct funding of programs and services to Canadians with disabilities, but should be implemented alongside existing measures.

While there is no national legislation at this time that requires a business or public sector organization to incur accessibility-related expenses, March of Dimes proposes that such measures ought to be in place immediately through provisions in the Income Tax Act to help stimulate such activity in the economy.

### **Recommendation # 1 Accessibility Tax Credit**

As part of the process of facilitating the prevention and elimination of barriers to Canadians with disabilities, and helping recognize the financial costs sometimes associated with this process, March of Dimes recommends the use of a tax credit or similar fiscal measure to promote and stimulate the process of enabling accessibility.

Small businesses, which are the engine of Canada's economy, are the intended target for accessibility tax credits. The credit could cover a range of expenditures: the purchase of adaptive equipment; removal of architectural barriers in facilities or vehicles; or the production of accessible formats of printed materials.

For comparative purposes one could consider the US application of such a credit. The amount of the tax credit under the American system is equal to 50% of the eligible accessibility expenditures in a year, up to a maximum expenditure of \$10,250. Under their regime, there is no credit for the first \$250 of expenditures, and the maximum tax credit is \$5,000.

Such a tax measure would be particularly useful for small-sized businesses, many of whom truly want to advance accessibility in Canada.

An Accessibility Tax Credit would help improve accessibility, stimulate the economy, and lead to inclusion in the workplace, the economy and society.

## **Recommendation # 2 Accessibility Tax Deduction**

Another measure through the Income Tax Act would be an Accessibility Tax Deduction – reducing a business' payable taxes. This measure would also recognize the expenses incurred, stimulate economic activity and help enhance accessibility.

An organization would be able to use the deduction for the removal or architectural or transportation barriers, and adaptations to a building or an information system.

Again, if we look at the American use of such an instrument, we see that the tax deduction (when it was introduced) was \$35,000. This deduction was available to any business of any size. Eligible businesses there are able to combine the credit and deduction incentives. For example, a small business that spends \$20,000 for accessibility adaptations may take a tax credit of \$5000 (based on \$10,250 of expenditures), and a deduction of \$15,000. The deduction is equal to the difference between the total expenditures and the amount of the credit claimed.

Again, the use of a tax deduction would be particularly important for Canada's small business owners in recognizing and assisting with the costs of identifying, eliminating and preventing barriers to accessibility.

## **Recommendation # 3 Accessibility Bond**

An alternative way of possibly stimulating revenue to help advance the goals of accessibility could be through the establishment of an Accessibility Bond.

The Government of Canada would provide for the public issuance of an unspecified amount of general obligation bonds, the proceeds of which would be used for the purpose of funding improvements to various accessibility initiatives.

Such bonds would generate competitive investment yields for the buying public, and be subject to attractive tax reducing measures similar to other government-issued bonds.

## Closing Remarks

*Advancing accessibility is important for so many reasons. People in the service industry, for example, only begin to realize why accessibility is important when they begin measuring the wallets that are excluded. I use an electric wheelchair to get around. When I go to a restaurant, for example, I don't go alone; I am with several friends. If one of us cannot enter the establishment or access the washroom facilities, all of us leave and take our business somewhere else, and that means usually four or five paying customers.*

*Advancing accessibility measures is not just the right thing to do; creating an environment that facilitates accessibility makes good economic sense.*

Warren Rupnarain, formally of [www.warrensworld.ca](http://www.warrensworld.ca), Canada's leading internet site encouraging national disability legislation.

Notes from a Speech, January 2006

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