



## ADVANCED FITNESS SOLUTIONS

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### ADA INFORMATION

#### 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 SCIFIT PR01000 & PRO11 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 ADVANCED FITNESS SOLUTIONS have eligible equipment?

**YES!** The SCIFIT PRO 1000 & PRO II are perfect for clubs who wish to take advantage of this tax credit:

- They comply with the Americans with Disabilities Act
- They provide easy wheelchair access.
- They are extremely usable and popular with non-disabled members as well as those with disabilities.
- They are not "hospital" looking. They look like normal pieces of fitness equipment and could be integrated easily into any fitness facility.

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.

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

## Tax Credit (IRS Section 44)

Under the American's with Disabilities Act, the purchaser of a SCIFIT Pro 1000 Upper Body Ergometer, SCIFIT Pro II All Body Ergometer, or VECTRA VFT-100 Functional Trainer qualifies for a tax credit. Accessories for these products which make the unit more suitable for wheelchair use also qualify for the tax credit.

To qualify for this tax credit you must have less than 30 full time employees or have gross receipts of less than 1 million dollars for the proceeding year.

If you fall under these guidelines, you may claim up to \$10,250 per year in the cost of eligible equipment and receive a tax credit for 50% of the amount; not to exceed \$5000. The purchases must exceed \$250.

Example:

2 SCIFIT Pro 1000's	(\$3195)	\$6,390
2 Adjustable Crank Arm options	(200)	400
Installation Costs		<u>375</u>
		\$7,165

Your tax credit is **\$3,582.50**

Example:

3 SC1FIT Pro II's	(\$3795)	\$11,385
3 wheelchair platforms options	(100)	300
Installation Costs		<u>500</u>
		\$12,235

*Note: The purchase is over \$10,250*

Your tax credit is the maximum available amount of **\$5000**

The actual cost of each unit is \$2400. That is equivalent to a 40% discount on the sale!

**Remember:** *the total purchase must exceed \$250. Due to their low cost, single items may not qualify.*

*AFS does NOT intent to provide tax advice. It is our intent to suggest speaking with your accountant(s) regarding this possible option.*