

Access Ready Inc. Tax Recovery Act Concept

Date: 04-04-2024

From: Douglas George Towne
Chair and Chief Executive Officer
Access Ready Inc.
Direct 727-452-8132
chair-ceo@accessready.org

* Concept Title

The Tax Recovery Act

* The Concept Outline

What if - The accessibility features of information and communications technology (ICT) products and services didn't cost developers anything?

What if - Maintaining the accessibility of ICT didn't cost developers anything?

What if - Developers could get paid for including the accessibility of ICT. So, it ended up costing nothing?

What if - End users could upgrade the ICT they use while costing them nothing?

What if - People with disabilities were employed to verify accessibility while costing developers nothing?

What if - Accessibility experts got paid while costing developers nothing?

What if - The excuse that accessibility costs too much simply went away?

We have a Strategy

- * It is the Tax Recovery Act (TRA)

- * (Note, This effort is called the Tax Recovery Act because we are attempting to recover accessibility lost through inaccessible information and communications technologies (ICT) through the use of tax incentives. This loss is based on the concept that the ICT which is replacing face-to-face interactions is in many cases creating inaccessibility.)

- * The concept provides a 100% tax credit to the developers of technology and services for the money they spend on retrofitting existing ICT and related services while maintaining their accessibility. Retrofitting older

technologies in many cases is necessary because the imbedded use is so wide that replacing those technologies is not as possible from the user's point of view.

Further to provide a 25%, up to a 100% tax credit (the actual cost) of building accessibility into future offerings. All accessibility would be based on and measured against standards acceptable to people with disabilities under Federal guidelines.

To accomplish this, We think the best vehicle for our concept is to amend the 1980s Research and Development Tax Credit Federal statute.

* Type of Concept

Legislative and/or regulatory change at the Federal level.

* Accessibility?

In support of accessibility!

* Global Cost in Dollars and Influence

The estimated public policy cost of this effort in dollars is \$300,000.00 (three hundred thousand dollars.) over 3 years including in kind donations.

The cost in influence or in-kind efforts is always difficult to calculate, but it is projected to be equal to the hard cost. To be clear the public policy cost is not related to the cost of the actual tax credits to the taxpayers.

The difficulty in calculating the cost of in-kind investments is related to the value of staff and professional time dedicated to the effort by supporting entities.

* Features

1. The current Research and Development Tax Credit has not been used to support the accessibility of information Communications and Technology goods and services as far as we can tell. Expanding this law would provide incentive if the tax credit were large enough to make a difference.

2. Technical Standards - To be eligible the ICT product or service would have to meet some reasonable industry or Federal standard like WCAG 2.1 AA.

An easy approach here would be that it could be tied to the Section 508 standards and / or a related standard from the access board.

Given the issues related to Section 508 of the Rehabilitation Act of 1973 as amended a side issue to this effort is to bolster 508 with effective consequences when Federal purchasing officers avoid accessible products and services and for vendors who are less than honest about the accessibility of their offerings.

3. Testing - To qualify an ICT product or service would have to receive a certification from a qualified third party. First party certifications do not work and make no sense. It would have to be a qualified third party signing off on things. Third party verifiers would have to demonstrate their independence and show no relationship to the vendor of the product or service being evaluated. Ideally, those certification fees are included as part of the accessibility cost. Qualification would be defined as a certain amount of experience in digital accessibility (10 years+) or certification by a relevant body such as the International Association of Accessibility Professionals (IAAP). Qualified third parties would have to use both automated and human testers to certify the accessibility of any product or service. The tax credit would not be available on any product or service that did not score a rating higher than 90% of any accepted rating scale.

4. Maintainable - To qualify the ICT products or services in an ongoing process it will be necessary for an independent third party to conduct spot check and user testing to validate that accessibility is being maintained over time. The idea is that a company cannot just hit some level of "accessibility" at a single point in time. You've got to have the right systems in place for maintaining that over time in order to continue utilizing the tax credit on any product or service.

5. Training - To qualify ICT administrative, development, maintenance and sales teams should have to complete an annual basic training requirement for accessibility awareness. The point is that all ICT team members need to understand the difficulties people with various disabilities face to know how the accessibility of their products or services impact the user. The cost of this training should fall into the tax credits allowable expenses.

6. Support and Documentation - To qualify for the tax credit ICT products and services have to directly support the communication and support needs of people with disabilities using the ICT product or service.

So, in addition to the thing itself being accessible the provider has to support people with disabilities through a contact point that allows them to call or email, to get support on the product or service. This would be similar to the requirement in the 1996 Telecommunications act which requires that each provider have a designated point of contact for accessibility issues. The cost of this support should fall into the tax credits allowable expenses.

7. The tax credit should be up to 100% of the actual cost of supporting and maintaining the accessibility of a product or service. This should include not only the development, but all consulting maintenance, support, staffing, training, and testing costs.

8. Global qualification - The maintenance of accessibility of one product or service should extend to the tax credits applied to all products or services. In other words, if accessibility is not maintained on one product or service or is not created when the offering is released to the marketplace then the tax credits previously allowed or requested in the future may be canceled or charged back until the issue is resolved with the accessibility of the offering in question. If a charge back is not feasible then

refusing to allow new tax credits may be an alternative strategy.

9. Standard accessibility reporting - Standards for the reporting of accessibility must be developed and offerings qualifying for the tax credit must be marked with a standard label providing the accessibility rating and other pertinent information on a standard scale. Offerings from companies not applying for the tax credit can and should use the same standard for reporting accessibility. Where companies choose not to use the standard reporting system, those offerings should be identified by a standardized zero-accessibility mark. This requirement may be best affected through amending Federal law under a different statute. It would be not unlike the nutrition or warning labels required on some products.

10. Retail Tax credits - This 100% tax credit should also apply to businesses at the retail level so businesses who pay to retrofit the technology they are using can apply the tax credit up to 100% of the actual cost.

11. Limits - It may be necessary to set some limits on how much of the cost of developing new ICT can be used for

the tax credit. Twenty-five percent of new development for example could be a starting figure with the allowance that a company could get up to a 100% tax credit if it can prove its accessibility development costs are greater than 25% of the total development cost.

12. Effective dates - Companies should be able to claim accessibility costs under the tax credit for up to 10 (ten) years prior to the active date of the legislation. This retroactive tax advantage is necessary to support and benefit those companies who in good faith invested in accessibility under 508 standards only to find that Federal purchasing officers routinely overlooked accessibility to purchase inaccessible products at comparable prices and capabilities.

* (Note, this is necessary because since the implementation of Section 508 of the Rehabilitation Act of 1973 as amended it has become clear that the promise of 508 has not materialized in any substantial way. The concept that by the Federal government requiring ICT it purchased or paid for to be accessible would in turn bring those accessible products or services into the mainstream has not happened.)

13. The sale of Tax credits - Companies who are not able to utilize the tax credits because of their tax strategy or position could sell them to other companies in the same way that energy and other tax credits are sold.

In the event that a company fails to maintain the accessibility of a product or service or fails to include accessibility in a new product or service, then any charge back of a tax credit would be against the originating entity receiving the tax credit.

14. Jurisdiction: The jurisdiction over the tax credit would be with the Internal Revenue Service who may seek the assistance of the US Access Board or other appropriate Federal agencies. The cost of maintenance, training, and staffing may be based on industry norms as judged by the Internal Revenue Service. Penalties for excessive maintenance, training, and staffing rates should be as severe as other tax penalties.

* Overall Benefits

Overall benefits of this proposal when enacted include, but are not limited to:

* What if - The accessibility features of information and communications technology (ICT) products and services ended up costing developers nothing.

By taking away the cost factor related to the accessibility retrofitting of existing ICT products and services and the cost of building accessibility into new offerings developers would be able to justify the economics related to accessibility developments.

International companies could see the financial advantages of moving their development establishments to the United States in order to take advantage of the increased size and scope of the tax credit.

Companies whose principal business is related to the development of accessible products and services by necessity often have to charge higher prices because of the cost of development. Offset by the tax credit the cost of their accessible products and services could be lowered accordingly in their specialty adaptive technology marketplace.

Such lower prices will be to the advantage of business, government, nonprofit and individuals who finance the purchase and implementation of such accessible products and services. Reducing those costs can have far-reaching results across employment and customer services.

* What if - Maintaining the accessibility of ICT didn't cost developers anything?

By allowing on going tax credits offsetting the cost of maintaining accessibility developers would no longer be faced with the economic pressures that often push the maintenance of accessibility features off to a later date.

* What if - Developers could get paid for including the accessibility of ICT. So, it ended up costing nothing?

By developers being able to apply the tax credit to new development they would be able to include accessibility at the concept and design phases of ICT development. This would interrupt the chain of inaccessibility across ICT at the beginning instead of at the end where retail users have faced the brunt of the disability anger and legal actions. It would encourage developers to seek new ways of providing accessibility in their products and services, expanding access for all.

* What if - End users could upgrade the ICT they use while costing them nothing?

By allowing retail users of ICT to upgrade existing products or services or replace inaccessible ICT with accessible products or services by applying the tax credit. The retail users would be able to serve customers with

disabilities better and open up employment opportunities for people with disabilities within their workspaces.

* What if - People with disabilities were employed to verify accessibility while costing developers nothing?

By employing people with disabilities to evaluate retrofitted or new ICT products and services developers would gain the benefit of actual disability experience while reducing the massive unemployment rate within the disability community.

* What if - Accessibility experts got paid while costing developers nothing?

It will be necessary for ICT developers to utilize the services of accessibility experts who often come at an additional cost. If this cost were included under the tax credit, then the correct concept of accessibility would be included while costing developers nothing.

* What if - The excuse that accessibility costs too much simply went away?

Since the passage of the Americans With Disabilities Act and other accessibility requiring statutes and regulations there has been three common refrains.

First came this is an unfunded mandate. Since much of the Americans With Disabilities Act is considered by many

to have sweeping unfunded mandates under it. Many affected by the tax credits will see this as funding those mandates where information and communication technologies are concerned.

The second many have argued: "We don't know how to do that." On the technology front this argument has been overwhelmed by the fact that accessibility in the ICT space is no longer a stretch or rocket science.

The third and most common argument against accessibility is that building accessibility into new ICT is too costly and retrofitting existing technology is overwhelmingly too costly.

By implementing the Tax recovery Act the cost argument simply goes away.