

Disability Alliance BC | Consultation on Draft Legislation for Various Tax Measures Under the Income Tax Act – Disability Tax Credit

Submitted to Department of Finance Canada by email

Please accept the following submission from DABC in response to the draft legislative proposals released for consultation, specific to the proposed amendments to sections 118.3 and 118.4 of the Income Tax Act concerning the Disability Tax Credit (DTC).

The Disability Tax Credit (DTC), a non-refundable tax credit initially designed to defray medical costs incurred by people with disabilities has become a crucial vehicle to accessing disability related tax benefits and other financial supports including the Child Disability Benefit, Canada Workers Benefit, Canada Disability Benefit, and Registered Savings Plan—making the credit a gateway to thousands of dollars that would help people with disabilities both with their immediate and future needs. Still, despite its importance, many people with disabilities do not have the DTC due to myriad barriers (health, financial, and administrative) that inhibit access to the benefit.

Disability Alliance BC (DABC) is well positioned to provide our feedback to the proposed changes to the DTC. Since 1977, DABC has been a provincial, cross-disability non-profit organization and registered charity that advocates for the rights of people with disabilities. Our mission is to support people, with all disabilities, to live with dignity, independence and as equal and full participants in the community.

DABC has several direct service programs that help people with disabilities across British Columbia access critical benefits and services. Over the

years, DABC has helped thousands of people with disabilities every year navigate the DTC working one-on-one support through applications, renewals, and appeals. Through our experience, we have gained in-depth knowledge of persistent legislative gaps related to the DTC and opportunities to improve its accessibility.

DABC was pleased to see a number of positive changes made with the proposed amendments, namely:

- **A streamlined application process for those with certain long-term conditions** which will significantly reduce administrative burden
- **An expanded list of medical professionals able to certify the DTC**, including physiotherapists being able to certify restrictions in feeding and dressing; speech-language pathologists being able to certify restrictions in feeding and hearing; and occupational therapists being able to certify eliminating (bowel or bladder functions); and podiatrists now able to certify walking
- **An easier application pathway for adults under the care of public guardians, trustees and curators** with a valid certificate of incapacity or equivalent document

While these changes are positive, they will not adequately remove administrative burden, particularly for those with permanent complex chronic conditions. This moment presents an opportunity to address longstanding barriers to the DTC to ensure that the benefit can be accessed by all those entitled.

Recommendations

Recommendation 1: Create a mechanism to review and expand the list of conditions that receive streamlined application processes

While we welcome the government's recognition of certain conditions that should qualify for the DTC, we understand that these lists may need to be

revisited to more adequately capture people with qualifying medical conditions. We recommend that the government establish a transparent mechanism for reviewing and expanding the list of long-lasting medical conditions eligible for streamlined certification. A static list risks creating inequities as medical knowledge and diagnostic practices continue to evolve. Conditions that are rare, underdiagnosed, or newly recognized may be overlooked. The government should establish published criteria for determining whether a condition should qualify for streamlined certification. This process could also include an independent or multistakeholder advisory process to determine which disabilities gets added.

Recommendation 2: Automatic Approvals for Palliative Conditions:

In particular, there are many hardships that are endured with a palliative diagnosis, many of which are financial. People with palliative care conditions are usually severely impacted by their condition or disability, to the extent that it ends their life. We recommend that people with palliative conditions are automatically approved for the DTC, to eliminate the administrative burden that the application can create during end-of-life care.

Recommendation 3: Further expand the list of eligible professionals who can sign the DTC

The CRA has chosen to expand the list of eligible professionals who can sign the DTC, which is a step in the right direction. However, it is difficult for many Canadians to access a general practitioner or a specialist. We believe a regulated health professional should be able to certify an impairment where that professional is authorized and competent under provincial or territorial law, to assess the relevant functional limitation. Further, we echo calls from the [Disability Advisory Committee](#)¹ that the CRA expand the list of health professionals with appropriate expertise.

¹ <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/disability-advisory-committee/2024-full-report.html#toc9>

To further reduce the administrative burden on medical practitioners, and to restore greater agency for people with disabilities, we recommend that the legislative changes work in concert with efforts to reform the DTC application process. Applicants should be permitted to complete their own applications, with medical practitioners responsible for reviewing and certifying the information provided, rather than completing applications on behalf of their patients.

Recommendation 4: Further Harmonize Federal and Provincial Disability Benefit Applications

While we are pleased to see that those under public guardianship and trusteeship will not need to reprove their eligibility to the DTC, we recommend that the government move towards creating greater pathways between the DTC and other disability designations. For example, many people with disabilities already qualify for federal disability benefits such as CPP-D or provincial benefits such as PWD, ODSP, AISH—many of which include rigorous eligibility requirements and application processes. Rather than requiring people with disabilities to undergo the arduous and demoralizing process of repeatedly proving their disability, we recommend the government establish streamlined application processes for individuals with existing disability designations. Doing so would reduce unnecessary administrative burdens while promoting greater dignity, accessibility, and respect.

Recommendation 5: Recognize Eligibility for Persistent but Episodic Conditions

With the opportunity to revisit current legislation, we hope that the government also revisits language that requires conditions to be present “substantially all of the time”, interpreted in practice to be “at least 90% of the time”. These practices can add confusion and exclude those with severe and prolonged disabilities with episodic conditions who are

persistently impacted because of the unpredictable nature of their symptoms. To address this misinformation, the CRA should explicitly recognize that a severe and prolonged impairment may be episodic, fluctuating or variable in its day-to-day presentation. Further, eligibility should be determined based on the individual's overall functional limitations and not continuity of the restriction itself.

Recommendation 6: Further Consider Ending Means Testing for the DTC Medical Fee Supplement:

We hope that the opportunity to review the DTC will also lead to an opportunity to introduce regulations to address financial barriers the DTC. Currently, to receive the newly enacted DTC medical fee supplement, one must be eligible for both the Disability Tax Credit and the Canada Disability Benefit. Many people with disabilities may not qualify for the Canada Disability Benefit but still live with expenses related to their disabilities that impact their quality of life. Introducing regulations that include direct reimbursement to medical practitioners for their support with an application will enable greater access to the DTC.

DABC is grateful for the opportunity to provide consultation on these amendments to the Department of Finance and believe that by introducing legislative changes that include greater flexibility and accessibility will be important step toward achieving meaningful improvements to the lives of people with disabilities.