

DABC Statement on the Disability Tax Credit Promoters Restrictions Act

In 2016, Disability Alliance BC (DABC) partnered with Plan Institute and the BC Aboriginal Network on Disability Society (BCANDS) on the Access RDSP program. Access RDSP's goal is simple: to increase the number of people who have a Registered Disability Savings Plan (RDSP). Through this program, the partnership develops educational materials and workshops, provides 1:1 support on how to open and manage an RDSP, and provides direct service support for those looking to apply for the Disability Tax Credit (DTC), a prerequisite for the RDSP. All of our services are free of charge.

At a minimum, DABC believes that people with disabilities should not face any financial barriers to access the supports and programs to which they are entitled.

However, we know that many people with disabilities have had to pay fees for assistance with the Disability Tax Credit (DTC).

Early this month, legislation that would have limited the fees that for-profit companies charge for assistance with DTC applications was stalled, after the [Supreme Court British Columbia ruled in favour](#) of suspending the operation of the [Disability Tax Credit Promoters Restrictions Regulations](#).

The DTC is a principal disability support, not only because it is a non-refundable tax credit that reduces the amount of taxes individuals and their support persons owe, but because it is currently the gateway to other important federal disability supports, including the Canada Worker's Benefit disability supplement, Child Disability Benefit, Home Buyer's Amount, and the one-time COVID-19 relief benefit in 2020. Importantly, it also offers access to the RDSP—a long term disability savings plan that offers up to \$90,000 in government contributions for those 49 and under.

DABC provides free support to hundreds of people in applying for the DTC every year. Through our experience, we recognize myriad barriers to claiming the credit, such as access to medical professionals and the real and perceived complexity of the application process.

Many individuals find it difficult to navigate through the application process alone and some have turned to third party consultants and companies for help. These companies can charge between 15 – 40 percent of their client's DTC returns or RDSP earnings, and the credibility of their services can vary widely. While some for-profit companies advocate for positive changes to DTC legislation, other companies have been found to [scam their clients](#)—who consequentially were asked to repay the large tax refunds they received.

The [Promoters Restrictions Act](#) was originally proposed in 2012, reached Royal Assent in 2014, and was supposed to come into force on November 15, 2021. The Act would have capped fees that service providers were allowed to charge for assistance with the application at \$100.

After the Supreme Court of BC's ruling on November 4, 2021, whether the federal government will be able to enact regulations in this legislation will now be decided after a constitutional challenge to be held at a later date.

While DABC recognizes the need for service providers and support for people with disabilities through this application process, we don't believe that people with disabilities should have to pay fees to access benefits to which they are entitled.

Compensation for these services should not be taken out of someone's DTC or RDSP—two benefits that were created to defray exorbitant medical costs and reduce barriers to long-term financial stability that many people with disabilities face. Instead, federal and provincial governments should promote greater access to the DTC by increasing funding to organizations that provide DTC and RDSP related services to ensure assistance and barrier free access to these supports.

The DTC and RDSP were designed to address disproportionate barriers to financial security that people with disabilities face, yet the current DTC application process is a barrier itself. People with disabilities should not face additional financial barriers to access supports. DABC will continue to advocate for these barriers to be removed, regardless of the outcome in this court case.

