



2022 Third Annual Report of the Disability Advisory Committee

The Disability Advisory Committee (DAC) provides advice to the Minister and the Canada Revenue Agency (CRA) on improving the administration and interpretation of tax measures for Canadians living with disabilities.

Our third report summarizes our work, the progress of previous recommendations, and provides the following **10 new recommendations**:

Disability Tax Credit (DTC) Eligibility

- 1 The CRA and the Department of Finance Canada should change the term ‘impairment’ to ‘limitation’ in all DTC-related administrative and legislative documents.
- 2 Decisions to expand the pool of health providers, one provider group at a time, who can complete the DTC application form (T2201) take time and expertise that neither CRA nor the Department of Finance Canada possess.
- 3 Any licensed health provider, whose license is in good standing, should be permitted to complete the DTC application (Form T2201).
- 4 The CRA should replace the current eligibility criteria for life-sustaining therapies as set out in the DTC application (Form T2201) with a designated list of identified therapies.

DTC Review and Appeals

- 5 CRA to share DTC appeals data with the Committee to better understand which demographic groups are experiencing challenges.
- 6 The CRA should better communicate to DTC applicants who launch an objection or appeal, that they will remain eligible for all DTC-related benefits and credits until the appeal is resolved.

DTC Legal Issues

- 7 The Department of Finance Canada should amend the Income Tax Act (ITA) and/or the CRA amend its policy, to allow a person with an impairment in mental functions to appoint a representative to manage their tax affairs without resorting to legal guardianship.
- 8 Over the long-term, the federal government should apply the Peace, Order and Good Government clause to encourage the creation of a national minimum-standard legislative framework for supported decision-making laws.
- 9 The CRA should encourage the Department of Finance Canada to exempt DTC beneficiaries from the capital gains on the sale of a home entrusted to them.
- 10 The federal government should broaden the list of persons defined as “qualified family member” in the ITA to include siblings to act as RDSP plan holders for persons with an impairment in mental functions.