

Federal Government Recognizes the Need to Reform the Disability Tax Credit

by: Lembi Buchanan

After two years of intense lobbying by the disability community, the Government agreed that more needs to be done to ensure that the Disability Tax Credit (DTC) effectively meets its intended purpose and is allocated to those most in need. In order to achieve this objective, Deputy Prime Minister and Minister of Finance, John Manley established the Technical Advisory Committee in April 2003 to advise the Ministers of Finance and National Revenue on tax measures for persons with disabilities.

The disability community had been concerned that the eligibility criteria for the DTC was becoming increasingly restrictive and questions requiring simple “yes” and “no” responses put a stranglehold on the medical profession’s ability to provide a fair and accurate assessment of their patient’s disability and the impact of the disability on a “basic activity of daily living,” such as seeing, feeding, dressing, walking, hearing, perceiving, thinking, and remembering.

A number of associations, including The Arthritis Society of Canada and the Canadian Arthritis Patient Alliance, along with the Canadian Mental Health Association and the Multiple Sclerosis Society of Canada, began to work together as a Coalition to ensure tax fairness for all persons with severe and prolonged disabilities. Letters were written, reports submitted and hearings, attended.

During the winter of 2001-2002, the Sub-committee on the Status of Persons with Disabilities chaired by Dr. Carolyn Bennett, MP, St. Paul’s, Toronto, conducted formal hearings and issued a report *Getting it Right for Canadians: The Disability Tax Credit* in March 2002. The Coalition asked the Members of Parliament to adopt the recommendations in the report.

On November 20, 2002, Members of Parliament responded to the Coalition’s concerns and unanimously supported the motion made in the House of Commons by the NDP leader, Alexa McDonough. *That this House call upon the government to: develop a comprehensive program to level the playing field for Canadians with disabilities by acting on the unanimous recommendations of the Committee report “Getting it Right for Canadians: The Disability Tax Credit,” in particular the recommendations calling for changes to the eligibility requirements of the DTC so that they will incorporate in a more humane and compassionate manner the real life circumstances of persons with disabilities and withdraw the proposed changes to the DTC, released on August 30th 2002.*

In February 2003, there was good news in the Federal Budget when Mr. Manley established the Technical Advisory Committee and appointed a number of Coalition members to the new Committee including: Lembi Buchanan, chair: Harry Beatty, ARCH: Michael Bach, Canadian Association for Community Living: and Laurie Beachell, Council for Canadians with Disabilities.

The Coalition has already made submissions to the new Committee reflecting the concerns of their members. CAPA, along with other organizations representing persons with disabilities, will continue to follow the progress of TAC to ensure that the Coalition's objectives are met, and report to stakeholders.

For information about the work of the Committee, visit www.disabilitytax.ca.

For more information about the initiative to reform the DTC, visit www.disabilitytaxcredit.com.