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HOUSE OF COMMONS  
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July 25, 2016

Minister Bill Morneau,  
Minister of Finance  
House of Commons  
Ottawa, ON K1A 0A6

Dear Minister:

I know that you have commissioned a review of tax credits available under the *Income Tax Act* and to that end I wanted to make a specific recommendation concerning the disability tax credit regime.

When Minister McCallum was Finance Minister several years ago, he struck a committee called the Disability Advisory Committee. One of my constituents, Ms. Lembi Buchanan, was one of the members of this advisory committee. For the advocacy work she tirelessly undertook on behalf of those with mental health challenges, she was awarded by the Government of Canada the Meritorious Service Medal earlier this year.

The disability tax credit is fraught with problems in its design and implementation. For those with mental health challenges or who have episodic illnesses like multiple sclerosis and epilepsy, the eligibility requirements and the manner in which the disability tax credit is administered, cause serious injustices to those who otherwise should be entitled to the disability tax credit. Those who are clearly “vulnerable” and have severe impairment are often not judged eligible by psychiatrists or physicians. The complexity around the form, Form T2201, provides serious obstacles to accessibility and leaves certain psychiatrists and other physicians reluctant to complete the form.

Similarly the “clarification letters” that are sent out by the Canada Revenue Agency are often not based on the letter of the law and inappropriate advice is given. Some of the guidelines that doctors are asked to follow involve the definition of an “inordinate” amount of time that one



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requires to complete an everyday task. An arbitrary requirement such as “three times the normal time” or that an individual be restricted “at least 90% of the time” due not accord with the language in the *Income Tax Act*. Presumably, if one is always vulnerable they should be eligible but that is not the case in practice.

I understand that it is Finance Canada that is involved in the policy formation in respect of the disability tax credit, while the administration, of course, is the responsibility of the CRA. To that end, as you are reviewing other tax credits, I would suggest that a disability advisory committee be convened like the one that Ms. Buchanan served on when she was appointed to it by Minister McCallum over a decade ago. Similar stakeholders should be considered for membership and the committee should make recommendations for the reform of the program -- both in its eligibility requirements and its implementation. Particularly in this era of greater awareness of mental health challenges, it seems that there is an urgent need to make these changes.

Bill C-462, which is aimed at limiting the fees charged by promoters of the disability tax credit, has received royal assent but regulations have yet to be implemented. Consequently, that Bill is not yet in force. Perhaps the rampant exploitation by those seeking to profit from providing assistance to those in the disability tax credit program could also be addressed at the same time by such a disability advisory committee.

I would be pleased to follow-up with you on this initiative and of course commend to you my constituent, Ms. Buchanan who can be reached at the following coordinates:

1701 Cedar Hill Cross Road  
Suite 609  
Victoria, BC V8P 2P9  
Telephone: 778-430-9222  
Email: lembi@shaw.ca

Thank you for any assistance you can provide in this important initiative.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Murray Rankin".

Murray Rankin

Copy: Ms. Lembi Buchanan