



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Gordie Hogg

Member of Parliament—South Surrey—White Rock

The Hon. Diane Lebouthillier
Minister of National Revenue
Confederation Building, Room 2017
House of Commons
Ottawa, Ontario K1A 0L5

June 27, 2019

RE: Submission in Response to Canada Gazette Part I Volume 153, Number 22: Disability Tax Credit Promoters Restrictions Regulations (published June 1, 2019)

Dear Minister Lebouthillier,

I have been made aware that Regulations under Bill C-462 have been drafted with intent to make operational after July 1st. I am writing to urge that the period for consultation be extended and additional stakeholders be given a voice.

I think we can all agree that we want to move towards a Canada that is more inclusive and supportive of those who live with disability; a Canada where legislation and regulations work together to create a climate where all Canadians have opportunity, financial resources and freedom of choice as they build their lives. To that end, we commend the Standing Committee on Social Affairs, Science and Technology and their 2018 report “Breaking Down Barriers” as well as the reinstatement of the Disability Advisory Committee (DAC).

Change is necessary and while it appears that there is consensus in principle about the changes required there is no consensus that the implementation of drafted regulations will achieve the desired results.

In their 2018 report, the Senate Committee expressed concern that DAC’s structure, representation and terms of reference were not broad enough to address the reforms needed and recommended that steps be taken to ensure that it better reflects the diversity of the larger disability community. While recognizing the limitations of DAC, they also recommended that it be consulted before any substantive changes were made to the administration of the Disability Tax Credit (DTC) and Registered Disability Savings Plan. Given these recommendations it seems prudent not to bring into operation any regulations until there has been a broad consultative process to include all significant stakeholders AND there is consensus within the Disability Advisory Committee that the drafted regulations will be effective.

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Consultants have a role in assisting our disabled access not only the Disability Tax Credit but also the increasing number of provincial and federal supports. DAC, in their 2019 report, acknowledged that the application process for the DTC is complex and that many disabled Canadians end up in Tax Court appealing decisions. Consultants should be fairly compensated for their time, experience and knowledge while also taking into consideration that many of those they serve have limited ability to pay. In this I agree with The Hon. Scott Brison, former President of the Treasury Board, who in 2014 commented:

“The regulations under Bill C-462 must ensure that these legitimate businesses remain financially viable under this model. We must not punish these legitimate businesses because of the exploitative actions of some of the other operators who are taking advantage of the system.”

If, in seeking to ensure that disabled Canadians are not subject to usury we remove from them access to competent, honest advisors, we have not served them well. Members of the Disability Tax Fairness Alliance, while in support of regulation for the industry, have voiced concern that the drafted regulations may unintentionally have the undesirable result of causing companies of integrity to become unviable while still leaving the disabled at risk of abuse by unscrupulous promoters.

There is also concern that disabled Canadians, many of whom struggle to live on low income would have difficulty paying the proposed flat fee of \$100 and would therefore not be able to access help. I note with interest that BDO, in a study published this June, recommends the use of a contingency fee model instead of a flat fee model. This is mentioned not to advocate for any specific regulation but to highlight that it appears we are early in the consultative process. In fact, “Questions and Answers to the proposed Disability Tax Credit Promoters Restrictions Regulations” were only published on the CRA website this past Friday, June 21st.

I stand with my colleagues John Aldag and Murray Rankin in urging the Minister and others responsible for implementation of regulations to eschew hasty action in favour of reasoned, broad, consensus-building consultation.

Most Sincerely,

Gordie Hogg, MP
South Surrey – White Rock

Cc Denyse Bertrand, Senior Policy Analyst, Legislative Policy Directorate, Canada Revenue Agency

The Hon. Joyce Murray, President of the Treasury Board