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HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

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The Hon. Diane Lebouthillier
Minister of National Revenue
Confederation building, room 207
House of Commons
Ottawa, Ontario K1A 0L5

June 17, 2019

**RE: Submission in Response to Canada Gazette Canada Gazette, Part I, Volume 153,
Number 22: Disability Tax Credit Promoters Restrictions Regulations**

Dear Minister,

I am writing on behalf my constituent, Lembi Buchanan, as I share her opposition to the proposed regulation by the Canada Revenue Agency (CRA) to establish the maximum fee that a promoter can accept or charge in respect of a Disability Tax Credit (DTC) request as:

- (a) \$100 for a DTC request made for a determination of disability tax credit eligibility; and
- (b) \$100 per taxation year for a DTC request in respect of a deduction for an individual or for a dependent, or in respect of any deduction or overpayment of tax under the *Income Tax Act* that is contingent upon DTC eligibility for that individual or for a dependent.

I am not convinced that the CRA is acting in an authentic desire "to ensure that the income tax refunds generated by tax credits, which are intended to compensate for some of the additional expenses assumed as a result of living with a disability, remain at the disposal of those who are entitled to them, and who need them most."



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If it were so, the CRA would not have made it increasingly difficult, since the Royal Assent of Bill C-462 on May 29, 2014, for some of our most vulnerable citizens living with severe and prolonged mental and physical impairments to access the DTC. There is clear evidence that CRA obfuscates the legislation, ignores decisions of the Tax Court of Canada, asks irrelevant questions of the medical practitioner, fails to process claims properly (often making numerous errors in adjudication, timelines, and so on), fails to respond promptly (if at all) to inquiries from applicants, and even fails to accurately process the tax refund when the credit is finally granted. These claims can take hours and days to resolve. The \$100 fee for each application will not pay for the business model of companies that assist these individuals who have no other advocates and cannot afford a lawyer.

If it were so, the CRA would have developed the necessary regulations without a five-year delay while the very industry it opposes has been allowed to flourish to meet the need.

In the House of Commons on February 5, 2013, I supported Bill C-462 but I also recognized the importance of the consultants' role assisting our most vulnerable population access the DTC with the following statements:

"In conclusion, I would like to say that I will vote to support the bill and hope that the necessary changes I have alluded to will be made to fix the problems with it. I will work to encourage those changes, but I return to my initial point. It appears to me that in conjunction with these legislative changes, government cuts to the CRA (that led to the closure of services offered in tax centres across the country in 2012) are creating a need for greater assistance and refusing to address the fundamental problem of the accessibility of the disability tax credit.

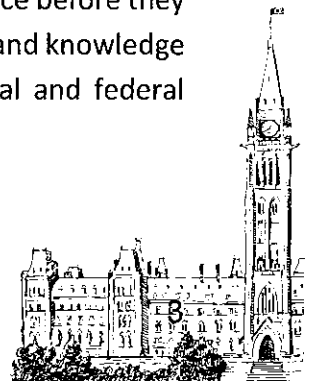


I would like to state again that we are not against all promoters. We recognize some act as consultants and help people with disabilities to obtain the services and tax credits from the government they would otherwise not know how to obtain and to which they are entitled. However, we do need to fix some of the fundamental problems that are creating this situation and I believe that the bill in its current form fails to do that.”

We are not opposed to regulations, but they must be based on a sound business model for companies that assist our most vulnerable citizens access the DTC and other income support programs. I support Lembi Buchanan’s request, and ask the CRA to withdraw the proposed since the Agency has not carried out additional consultations with stakeholders or submitted a feasibility study into the implications of a flat fee of \$100 in the determination of the DTC which I believe, will decimate the industry.

The regulations have not taken into consideration that many of our disabled population simply cannot afford to pay the \$100 fee, especially when there is no guarantee of a positive outcome. And there are no provisions to cover such a fee. Also, the regulations do not provide a contingency plan to grandfather thousands of cases already in the pipeline that may take another two years or more to resolve. Otherwise these individuals will be abandoned when companies are forced to close because of a poorly conceived regulation that will not cover their operating expenses or the salaries of their employees.

Unfortunately, some of the excellent recommendations of the Disability Advisory Committee in its first annual report, *Enabling access to the disability tax measures* to ensure fairness and transparency may take some time to receive approval by the Department of Finance before they are adopted by CRA. In the meantime, we need professionals with the experience and knowledge to help Canadians with disabilities to access an increasing number of provincial and federal income supports.





Please contact my constituent office at 250-363-3600 should you require additional information.

Yours most sincerely,

A handwritten signature in black ink, reading "Murray Rankin". The signature is written in a cursive style with a large, sweeping "M" and "R".

Murray Rankin, Member of Parliament for Victoria

CC. Denyse Bertrand, Senior Policy Analyst, the Canada Revenue Agency
Mrs. Lembi Buchanan

