

THE DISABILITY TAX CREDIT (DTC)

(Updated: September 2025)

This information is solely for informational purposes. We urge you to consult with us at info@connectingottawa.com if you have any specific legal questions about a client's situation.

<p>WHAT IS THE DTC?</p>	<p>The DTC is a <u>non-refundable tax credit</u> (see note 1) that lowers the income tax a person with a disability, or their families and supporters, may have to pay annually. It is also a gateway to other federal government programs like the <i>Registered Disability Savings Plan</i> and the <i>Canada Disability Benefit</i>.</p> <p><i>Note 1: A non-refundable tax credit can lower your taxes, BUT it doesn't give you any money back, e.g. if your tax credit is \$350 and you owe \$200 in taxes, your taxes will be \$0. You will not get a \$150 refund.</i></p>
<p>HOW MUCH OF THE DTC CAN I CLAIM OR TRANSFER?</p>	<ul style="list-style-type: none"> • Adults can claim \$10,138 on line 31600 of their 2025 tax return or transfer an unused amount to another person (see “Who can claim the DTC?” on the next page). • A supporting family member can claim \$16,052 on line 31800 of their 2025 tax return for a qualifying child under 18 who relies on them for food, shelter, and clothing.
<p>IS THE DTC A MONTHLY BENEFIT PAYMENT?</p>	<p>No. The DTC is a non-refundable tax credit that offsets the additional costs associated with living with a disability. It is <u>not</u> a monthly benefit payment!</p>
<p>AM I ELIGIBLE FOR THE DTC?</p>	<p><u>Eligibility for the DTC is based on the effects of an impairment, not a diagnosis or medical condition.</u></p> <p>No matter your age, you are eligible for the DTC for a tax year if:</p> <ol style="list-style-type: none"> 1. <u>You are a resident of Canada</u> for tax filing purposes (refugee claimants can apply!) 2. <u>You have a valid Social Insurance Number</u>, which can be temporary or permanent <p>AND</p> <ol style="list-style-type: none"> 3.1 <u>You have a marked restriction (impairment)</u> <ol style="list-style-type: none"> a. You are unable to perform an activity of daily living, or it takes 3 times longer than someone of a similar age without the impairment, even with the use of therapy, medication, and devices. b. The impairment is present all or at least 90% of the time. c. The impairment has lasted or is expected to last for at least 12 months. OR 3.2 <u>The cumulative effect of your limitations is equivalent to a marked restriction</u> <ol style="list-style-type: none"> a. You have limitations in 2 or more activities of daily living. b. Your limitations exist together all or 90% of the time or more. c. Your limitations have lasted or will last for a continuous period of 12 months. d. Their combined impact is equivalent to: <ul style="list-style-type: none"> o being unable to or taking 3 times longer than someone of a similar age without the impairment to do an activity of daily living AND o being present all or 90% of the time or more, even with the use of appropriate therapy, medication, and devices. OR 3.3 <u>You require life-sustaining therapy</u> <ol style="list-style-type: none"> a. Your therapy is needed to support a vital function, such as dialysis, insulin therapy, oxygen therapy, chest physiotherapy, other therapies. b. Your therapy is needed at least 2 times per week. c. Your therapy is needed for an average of at least 14 hours per week, taking time away from everyday activities (see note 2). d. Your impairment has lasted or is expected to last for at least 12 months. <p><i>Note 2: Some examples of what counts toward the 14 hours are: maintaining a log related to the therapy or setting up and maintaining equipment for the therapy. Not included in the 14 hours are exercising, medical appointments that do not involve receiving the therapy, and travel time to receive therapy.</i></p>

<p>WHAT IS CONSIDERED AN ACTIVITY OF DAILY LIVING?</p>	<p>Activities of daily living that may be restricted by your impairment(s) include:</p> <ul style="list-style-type: none"> • <u>Walking</u>: difficulty walking • <u>Seeing</u>: reduced visual acuity or field of vision • <u>Hearing</u>: difficulty hearing well enough to understand a spoken conversation with someone you know, even in a quiet setting. • <u>Speaking</u>: difficulty speaking clearly enough to be understood by someone who knows you, even in a quiet setting. • <u>Dressing</u>: difficulty dressing yourself • <u>Feeding</u>: difficulty preparing food and feeding yourself, as well as chewing and swallowing (does not include identifying food, or shopping for food). • <u>Eliminating</u>: difficulty managing bowels or bladder function. • <u>Mental functions needed for everyday life</u>: difficulty performing mental functions necessary for everyday life, including adaptive functioning, attention, memory, judgement, concentration, goal setting, perception of reality, problem-solving, regulation of behaviour and emotions, and verbal and non-verbal comprehension.
<p>IF I DON'T CLAIM THE FULL DTC, WHO CAN I TRANSFER IT TO?</p>	<p>You may transfer some or all your credit to your spouse or common law partner, or to a supporting person. If you are a dependant, you can transfer your credit to one or more qualifying "supporting family members", including a parent, grandparent, child, grandchild, brother, sister, aunt, uncle, nephew or niece.</p>
<p>HOW DO I APPLY FOR THE DTC?</p>	<p>Step 1: Fill out form T2201</p> <ul style="list-style-type: none"> • <u>Part A</u>: Completed by the person with the impairment or their legal representative and the person intending to claim the DTC (if there is one). <ul style="list-style-type: none"> ◦ Fillable PDF : https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2201.html ◦ Online: https://www.canada.ca/en/revenue-agency/services/e-services/cra-login-services.html • <u>Part B</u>: Completed by a qualified medical practitioner. <ul style="list-style-type: none"> ◦ Digital application for medical practitioners: https://apps.cra-arc.gc.ca/ebci/uisp/dtc/entry?request_locale=en <p>Step 2: Submit application any time during the year or with your tax return</p> <ul style="list-style-type: none"> ◦ If the application approved, you can claim the DTC on your income tax return.
<p>WHO CAN CERTIFY MY IMPAIRMENTS ON FORM T2201?</p>	<ul style="list-style-type: none"> • <u>Medical doctor and nurse practitioner</u>: certify all impairments • <u>Optometrist</u>: vision • <u>Audiologist</u>: hearing • <u>Occupational therapist</u>: walking, feeding, dressing • <u>Physiotherapist</u>: walking • <u>Psychologist</u>: mental functions • <u>Speech-language pathologist</u>: speaking
<p>WHAT CAN I DO IF MY APPLICATION FOR THE DTC IS DENIED BY THE CANADA REVENUE AGENCY (CRA)?</p>	<p><i>Ideally, you should seek legal advice if your application for the DTC is denied.</i></p> <p>In certain circumstances, you can:</p> <ul style="list-style-type: none"> • <u>Request a review</u> by submitting new or updated medical information to the CRA. • <u>File an objection</u> within 90 days of the date on the decision letter if you believe the CRA misapplied the law or misunderstood your case. A CRA decision on an objection can be appealed to the Tax Court of Canada, and Tax Court decisions are subject to judicial review by the Federal Court of Appeal. • <u>Apply again for the DTC</u> if circumstances have changed and there is new evidence the CRA did not consider in your previous application.
<p>DO I HAVE TO RE-APPLY FOR THE DTC?</p>	<p>You don't need to re-apply for the DTC each year unless the CRA asks you to submit a new application. The CRA will notify you 1 year in advance if you must re-apply.</p>
<p>CAN I CLAIM THE DTC RETROACTIVELY?</p>	<p>If you qualified for the DTC in the past but didn't apply for it, the CRA can <u>adjust up to 10 years of past tax returns</u>. Check "yes" to this question in the application.</p>