

ISSUE BRIEF

DISABILITY TAX CREDIT FORM



AT ISSUE

The Disability Tax Credit (DTC) form (T2201) is designed for adults and does not adequately reflect the unique needs and abilities of children and youth, or address the specific costs associated with their care. The time and effort required to complete the lengthy, complicated, and often subjective form takes away from direct patient care and is a significant source of administrative burden on paediatric health care providers, contributing to the health human resources crisis across Canada. With insufficiently clear guidelines around DTC qualification for children and youth, questions about eligibility can become an unnecessary tension between caregivers and physicians. Limitations on health care professionals able to fully certify eligibility, the high number of Canadians without a regular healthcare provider, long waitlists to access specialist care, and disparities in public coverage for mental health services and supports all reduce the accessibility and effectiveness of the DTC for children and youth.

RECOGNIZE THE DEVELOPMENTAL NEEDS AND ABILITIES OF CHILDREN AND YOUTH

Currently, the DTC form is not designed to accurately capture the developmental needs and abilities of children and youth. Several of the questions regarding potential speaking, walking, eliminating, feeding, dressing, or mental functioning impairments are adult-based and are not applicable for infants and young children. Such issues limit the applicability or appropriateness of the DTC form for those under 18 years of age and create problems and confusion for health care providers, caregivers and Canada Revenue Agency (CRA) personnel.

As such, the DTC form should be updated through meaningful collaboration with patients, families and providers to ensure it meets the needs of all children and youth. A focus on age-appropriate skills and functions, and clear distinctions between supports needed for children as compared to adults (such as can be found in the “*Mental functions necessary for everyday life*” section) would significantly improve the applicability of the DTC form for the paediatric population.

RECOMMENDATIONS

1. Update the DTC form to ensure it is applicable to children and youth, including through a focus on age and developmentally appropriate needs and abilities.
2. Develop clear DTC eligibility requirements specific to children and youth, accompanied by targeted public education initiatives to support clinicians and caregivers.
3. Expand the range of health care professions who can fully certify DTC eligibility and increase the number of young Canadians with access to a regular health care provider.
4. Strengthen coverage for mental health care, recognizing the significant out-of-pocket expenses often required to access evidence-based mental health services and supports.
5. Simplify, streamline and automate applications for federal benefits wherever possible and increase funding for systems navigation initiatives.

CLEAR ELIGIBILITY REQUIREMENTS FOR CHILDREN AND YOUTH

Many healthcare providers are asked to complete the DTC form for patients they know do not meet eligibility requirements. Frequently reported issues are confusion over the criteria or terminology provided by the CRA, and external encouragement to apply (e.g. from tax advisors or other third parties). When a caregiver wants to apply for the DTC, but their child does not qualify, this can become a source of tension between physicians and the families they care for. Declining to complete a DTC form can damage the physician-patient relationship, and completed forms that are subsequently declined can result in frustration, disappointment, and a loss of valuable time and resources. Clearer eligibility requirements specifically as they relate to the developmental needs and abilities of children and youth would help to address this concern, accompanied by targeted public education initiatives for clinicians, caregivers and tax advisors.

REDUCE BARRIERS TO ACCESS

When more than one in five Canadians do not have access to a family doctor or nurse practitioner and long waitlists are typically required to access specialist care, receiving appropriate medical certification for the DTC form can be a significant barrier for many Canadians. This barrier contributes to inequities in access, particularly for youth who are least likely to have a regular health care provider compared to all other ages groups. Expanding the range of health care professionals (such as occupational therapists) who can fully certify eligibility, and strengthening initiatives to increase the number of young Canadians with a regular healthcare provider are two important pathways to reduce barriers to access.

IMPROVE COVERAGE FOR MENTAL HEALTH CARE

Doctors, advocates, people with lived experience, and tax experts have long raised alarms about the complicated system of disability supports in Canada. The existing patchwork approach has contributed to inequities in access and coverage, and insufficient supports to ensure a basic standard of living. In 2025, the United Nations issued a report highlighting the action Canada needs to take to meet its obligations under the Convention on the Rights of Persons with Disabilities, including improvements to disability and tax benefits.

Given that the DTC is designed to help offset costs related to an impairment, greater acknowledgement and response to the shortfalls in public coverage for mental health care in Canada is needed. An expansion of the mental health section of the DTC form to better recognize the significant out-of-pocket expenses often required to access evidence-based mental health services and supports would better reflect the needs of all children and youth living with disabilities and be a significant step towards mental health parity in Canada.

REDUCE ADMINISTRATIVE BURDENS

Wherever possible, simplifying, streamlining and automating applications for federal benefits will increase their reach and effectiveness and reduce a significant source of administrative burden currently placed on health care providers. The creation of a DTC digital application for medical professionals is a positive step towards reducing administrative burdens that can be scaled up. Physicians spend too much time navigating complex forms and providing information to third parties to the detriment of patient care. The federal government can reduce a significant source of administrative burden by facilitating low-barrier and equitable access to benefits and services, including through implementing auto-filing and auto-enrolment processes to reduce the time providers spend helping their patients access crucial benefits, services and supports. Similarly, the federal government should increase funding for systems navigation initiatives, so this work does not fall on health care providers and take time away from the provision of direct medical care.