

Revised T2201 Disability Tax Credit Certificate

CRA issued an updated Disability Tax Credit Certificate this week, a requirement for claiming the lucrative disability tax credit for a taxpayer with "a severe and prolonged impairment in mental or physical functions." The amount is claimed as a non-refundable credit against taxes payable, and must be signed by a qualified medical practitioner, so year end is a good time to review vulnerabilities with client families and send them along to their doctor's office to have this lengthy form completed.

Any fees paid for the form filling qualify as a medical expense, and it is an expense that can be quite advantageous given how much money the credit is worth. It has two components:

- **Basic Disability Amount** is a non-refundable tax credit that acknowledges the expenses incurred corresponding to the treatment of a mental or physical impairment. This amount is available to all taxpayers who qualify.
- **A Supplementary Disability Credit** is available for taxpayers who are under 18 years old. The amount of the supplement is decreased by any child care expenses claimed (in excess of the base child care amount). Form T2201 Disability Tax Credit Certificate must be signed by a medical practitioner to qualify.

The Basic Disability Amount for 2011 is \$7,341. For those supporting a disabled minor, this amount is enhanced by an indexed supplement of \$4,282 for 2011, for a total claim of \$11,623 for 2011. This amount is reduced by amounts claimed under child care expenses on Line 214 and the disability supports deduction on Line 215 in excess of a Basic Child Care Amount of \$2,508 for 2011.

It's not always easy to qualify for the credit, and there are often disputes when CRA refuses. Measures announced on November 25, 2010 will ensure that individuals can appeal, in every case, a determination concerning their eligibility for the Disability Tax Credit. In order to object to a determination, the taxpayer must file a Notice of Objection before the later of:

- 90 days after the notice of determination is mailed and
- one year after the due date of the taxation year to which the disability claim applies.

For those who missed claiming the amount may reach back and recover missed credits for a period of up to 10 years; which means that tax year 2001 will drop off on December 31.