

TAX TIPS FOR PEOPLE WITH PARKINSON'S & CAREPARTERS

The following information is intended to serve only as a general guide to tax credits and rebates, and is current as of the 2017 fiscal year. Taxation laws may change over time. Please contact a financial advisor or accountant for advice and information on tax credits and rebates that may apply to you.

Disability Tax Credit

The disability tax credit (DTC) is a non-refundable tax credit that helps persons with a disabilities, or their supporting family members, reduce the amount of income tax they may have to pay. In 2017, the maximum disability amount was \$8,113.

The definition of “disability” used in the DTC application encompasses physical and mental health together with all aspects of daily living. In the very early stages of PD, when you may be employed and/or coping well on your own, you likely would not qualify. Eligibility is based on the severity of the impairment.

Initial applications may be denied, and reapplication or appeal may be required. Your physician can provide you with guidance when applying for the DTC. As PD progresses, however, there is a greater chance of a successful application. Other medical conditions can also be taken into consideration.

It is important to know that if you do not have a taxable income, and are unable to use the DTC, it can be transferred to a spouse or other supporting individual. To qualify for the transfer, this individual must be helping to provide you with the basic necessities of life, such as food, shelter, and clothing.

If you qualify for the DTC and could have claimed it in the past but did not, you may also re-submit prior tax returns for adjustment.

Medical Expense Tax Credit

The medical expense tax credit (METC) is available for medical expenses prescribed by a doctor. A claim must be supported by original receipts, and must be attached to your tax return for the taxation year in which the purchases were made. If you have private insurance, you must deduct the reimbursement you have received from your insurer prior to submitting the balance of the costs with your tax return. If you pay a deductible on your private insurance, that amount can be claimed, plus the monthly premiums you pay for the insurance (with the exception of MSP), together with the non-reimbursed portions of the expenses.

Attendant care expenses may also be eligible for the METC. These can be claimed if the costs are paid to an attendant who is not the taxpayer's spouse or common-law partner, and who was 18 years old when the payments were made.

Home Accessibility Tax Credit

The non-refundable home accessibility tax credit (HATC) is worth up to \$1,500 per calendar year, per qualifying individual, to complete renovations required to accommodate your needs. The renovation must allow you to gain greater access or increase mobility within your home, or a relative's home if you live there. For instance, this could include a wheelchair ramp, walk-in bathtubs or showers, or grip bars. Renovations can be made for someone who is at least 65 years of age, or otherwise eligible for the DTC.

Canada Caregiver Credit

The new Canada caregiver credit (CCC) is a non-refundable tax credit that may be available to an individual who supports a spouse, common-law partner, or a dependant with a physical or mental impairment.

The CCC combines three previous credits: the caregiver credit, the family caregiver credit, and the credit for infirm dependants age 18 or older. If you previously claimed any or all of these credits, and your situation remains the same as in 2016, then your 2017 CCC claim will stay about the same as in 2016. In some cases, your claim may increase. However, the previous caregiver credit for people who support a parent or grandparent who is 65 years of age or older, and living with them, and who does not have a physical or mental impairment, is no longer available.

Just like the former family caregiver credit, the CCC is part of other tax credits. This means you also have to meet the conditions for claiming those other tax credits. The amount you can claim depends on your relationship to the person for whom you are claiming the CCC, your circumstances, the person's net income, and whether other credits are being claimed for that person.

- For your spouse or common-law partner, you may be entitled to claim an amount of \$2,150 in the calculation of line 303. You could also claim an amount up to a maximum of \$6,883 on line 304.
- For an eligible dependant 18 years of age or older, you may be entitled to claim an amount of \$2,150 in the calculation of line 305. You could also claim an amount up to a maximum of \$6,883 on line 304.

Other Programs

First-Time Home Buyer's Tax Credit

You can claim an amount of \$5000 for the Home Buyers' Tax Credit (HBTC) if both of the following apply:

- you or your spouse or common-law partner acquired a qualifying home
- you did not live in another home owned by you or your spouse or common-law partner in the year of acquisition or in any of the four preceding years (first-time home buyer)

GST/HST Tax Credit

The GST/HST credit is a tax-free quarterly payment that helps individuals and families with low and modest incomes offset all or part of the tax that they pay. You no longer need to apply for this credit.

Disability Supports Deduction

If you have a physical or cognitive impairment you may be able to deduct the expenses that you incurred in the year in order to work, go to school, or do research for which you received a grant. Please note that you are not eligible for this deduction if you have already claimed these expenses under the METC.

Registered Disability Savings Plan

This is a savings plan that is intended to help individuals save for the long-term financial security of a person who is eligible for the Disability Tax Credit (disability amount). Similar to RRSP plans, an RDSP is a tax-deferred savings plan. Contributions can be made until the end of the year in which the beneficiary turns 59 years of age.

Working Income Tax Benefit

The working income tax benefit (WITB) is a federal refundable tax credit for low-income individuals or families with an annual working income over \$3,000. This tax benefit consists of a basic amount and a disability supplement. Complete Schedule 6 to calculate the basic WITB and, if applicable, the WITB disability supplement to which you may be entitled.

Additional Resources

Parkinson Society British Columbia | Helpsheets

Disability Tax Credit | bit.ly/pddisabilitytax

Assistive Devices, Home Adaptations, and Funding | bit.ly/pdhomeadaptation

Canada Revenue Agency

Disability Tax Credit Certificate | bit.ly/2E26U3y

Attendant Care Expense Claims | bit.ly/2E1th99

Home Accessibility Tax Credit | bit.ly/2QD70VS

Canada Caregiver Credit | bit.ly/2QBYEhf

First-Time Home Buyers Tax Credit | bit.ly/2QtDW3h

GST/HST Tax Credit | bit.ly/2QBZYkf

Disability Supports Deduction | bit.ly/2QCgKzE

Registered Disability Savings Plan | bit.ly/2QDrqOs

Working Income Tax Benefit | bit.ly/2QC1i6H

Government of BC

Home Renovation Tax Credit for Seniors and Persons with Disabilities | bit.ly/2QF5t10