

Canadian Medical Association  
Submission on Bill C-462 *Disability Tax  
Credit Promoters Restrictions Act.*

---

Submitted to the House of Commons  
Standing Committee on Finance

May 22, 2013



A healthy population and a vibrant medical profession  
Une population en santé et une profession médicale  
dynamique

The Canadian Medical Association (CMA) is the national voice of Canadian physicians. Founded in 1867, CMA's mission is to serve and unite the physicians of Canada and be the national advocate, in partnership with the people of Canada, for the highest standards of health and health care.

On behalf of its more than 78,000 members and the Canadian public, CMA performs a wide variety of functions. Key functions include advocating for health promotion and disease/injury prevention policies and strategies, advocating for access to quality health care, facilitating change within the medical profession, and providing leadership and guidance to physicians to help them influence, manage and adapt to changes in health care delivery.

The CMA is a voluntary professional organization representing the majority of Canada's physicians and comprising 12 provincial and territorial divisions and 51 national medical organizations.



## **Part 1: Introduction**

The Canadian Medical Association (CMA) is pleased to present this brief to the House of Commons Standing Committee on Finance regarding Bill C-462 *Disability Tax Credit Promoters Restrictions Act*.

The Canadian Medical Association represents 78,000 physicians in Canada; its mission is to serve and unite the physicians of Canada and to be the national advocate, in partnership with the people of Canada, for the highest standards of health and health care.

The CMA is pleased that the House of Commons has made Bill C-462 a priority. This bill is an important step toward addressing the unintended consequences that have emerged from the Disability Tax Credit since 2005.

## **Part 2: Issues to be addressed**

In 2005, the Disability Tax Credit was expanded to allow individuals to back-file for up to 10 years. While this was a welcome tax measure for individuals with disabilities, the CMA has been urging the Canada Revenue Agency to address the numerous unintended consequences that have emerged. Central among these has been the emergence of a “cottage industry” of third-party companies engaged in a number of over-reaching tactics. The practices of these companies have included aggressive promotional activities to seek and encourage individuals to file the Disability Tax Credit. The primary driver behind these tactics is profit; some companies are charging fees of up to 40 per cent of an individual’s refund when the tax credit is approved.

Further to targeting a vulnerable population, these activities have yielded an increase in the quantity of Disability Tax Credit forms in physician offices and contributed to red tape in the health sector. In some cases, third parties have placed physicians in an adversarial position with their patients. We are pleased that this bill attempts to address the concerns we have raised.

The CMA supports Bill C-462 as a necessary measure to address the issues that have emerged since the changes to the Disability Tax Credit in 2005. However, to avoid additional unintended consequences, the CMA recommends that the Finance Committee address three issues prior to advancing Bill C-462.

First, as currently written, Bill C-462 proposes to apply the same requirements to physicians as to third-party companies if physicians apply a fee for form completion, a typical practice for uninsured physician services. Such fees are subject to guidelines and oversight by provincial and territorial medical regulatory colleges (see Appendix 1: CMA Policy on Third Party Forms: The Physician Role).

The CMA recommends that the Finance Committee:

- Amend the definition of “promoters” under section 2 to exclude “a health care practitioner duly licensed under the applicable regulatory authority who provides health care and treatment.”
- If the committee imports the term “person” from the *Income Tax Act*, then the applicable section of Bill C-462 should be amended to specify that, for the purposes of the act, “Person does not include a health care practitioner duly licensed under the applicable regulatory authority who provides health care and treatment.”

Second, the CMA is concerned that one of the reasons individuals may be engaging the services of third-party companies is a lack of awareness of the purpose and benefits of the Disability Tax Credit. Additional efforts are required to ensure that the Disability Tax Credit form (Form T2201) be more informative and user-friendly for patients. Form T2201 should explain more clearly to patients the reason behind the tax credit, and explicitly indicate there is no need to use third-party companies to submit the claim to the CRA.

The CMA recommends that the Finance Committee:

- Recommend that the Canada Revenue Agency undertake additional efforts to ensure that the Disability Tax Credit form is more informative, accessible and user-friendly for patients.

Finally, the CMA recommends that a privacy assessment be undertaken before the bill moves forward in the legislative process. It appears that, as written, Bill C-462 would authorize the inter-departmental sharing of personal information. The CMA raises this issue for consideration because protecting the privacy of patient information is a key duty of a physician under the CMA Code of Ethics.

### **Part 3: Closing**

The CMA encourages the Finance Committee to address these issues to ensure that Bill C-462 resolves existing problems with the Disability Tax Credit while not introducing new ones. The CMA appreciates the opportunity to provide input to the Finance Committee’s study of this bill and, with the amendments outlined herein, supports its passage.

## Summary of Recommendations

### *Recommendation 1*

The definition of “promoters” under section 2 of Bill C-462 should be amended to exclude “a health care practitioner duly licensed under the applicable regulatory authority who provides health care and treatment.”

### *Recommendation 2*

If the Committee imports the definition of “persons” from the Income Tax Act, the applicable section of Bill C-462 should be amended to specify that, for the purposes of the act, “Person does not include a health care practitioner duly licensed under the applicable regulatory authority who provides health care and treatment.”

### *Recommendation 3*

The Canada Revenue Agency should undertake additional efforts to ensure that the Disability Tax Credit form is informative, accessible and user-friendly.

### *Recommendation 4*

Prior to advancing in the legislative process, Bill C-462 should undergo a privacy assessment.