



Spring Economic Update — Disability Tax Credit Amendments

The Spring Economic Update on April 28 announced proposals to streamline the often complicated process of applying for the Disability Tax Credit ("DTC"), in particular regarding the certification process by a medical practitioner.

The DTC is a **non-refundable tax credit** intended to recognise the impact of non-itemizable disability-related costs on the ability to pay tax. For 2026, the amount of the credit is \$10,341, which provides a federal tax reduction of up to \$1,448.

The disabled person (or the person claiming the credit for the disabled person) must file the T2201, *Disability Tax Credit Certificate*, with the T1 return on which the DTC claim is made. Once obtained, a certificate continues to be valid until the cessation date on its face, or until your condition changes.

To be eligible for the DTC, an individual must have a **severe and prolonged impairment in physical or mental functions**. Essentially, the effects of the impairment must be such that, even

with appropriate devices, medication, and therapy, the individual is:

- blind, diagnosed with type 1 diabetes mellitus, or markedly restricted in their ability to perform a basic activity of daily living, or would be so restricted were it not for extensive therapy to sustain a vital function; or
- significantly restricted in their ability to perform more than one basic activity of daily living where the cumulative effect of those restrictions is comparable to being markedly restricted in a basic activity of daily living.

A **qualified medical practitioner** must certify on the T2201 that the impairment is severe and prolonged and that its effects meet at least one of the impact criteria listed above.

The *Income Tax Act* recognises the following basic activities of daily living:

- walking;
- feeding or dressing oneself;
- mental functions necessary for everyday life;
- speaking;

- hearing;
- eliminating bodily waste; and
- for the purposes of the “significantly restricted” test noted above, seeing.

Medical practitioners recognised as qualified to certify impairments for the DTC are specified in the *Income Tax Act* as:

- Nurse practitioner or doctor—all impairments;
- Occupational therapist—walking, feeding, dressing, cumulative effects;
- Physiotherapist—walking;
- Speech-language pathologist—speaking;
- Audiologist—hearing;
- Psychologist—mental functions; and
- Optometrist—vision.

The CRA reviews the information provided on a DTC application form, including by the qualified medical practitioner, and approves the DTC certificate where the individual meets all legislative requirements to be approved for the DTC.

A valid DTC certificate is a requirement for accessing other federal measures, including the Canada Disability Benefit, Registered Disability Savings Plan (including the Canada Disability Savings Grants and Bonds), the Child Disability Benefit, and the disability supplement to the Canada Workers Benefit.

The **Spring Economic Update 2026** proposes to streamline the DTC certification requirements related to the following **long-lasting medical conditions**:

- | | | |
|--|---|--|
| • Alzheimer’s disease; | • Dementia; | • Parkinson’s disease (advanced or severe); |
| • Amyotrophic lateral sclerosis/Lou Gehrig disease; | • Down syndrome/Trisomy 21; | • Patau syndrome/Trisomy 13; |
| • Angelman syndrome; | • Duchenne muscular dystrophy (advanced or severe); | • Phenylketonuria; |
| • Autism spectrum disorder, level 3; | • Edwards syndrome/Trisomy 18; | • Prader Willi syndrome; |
| • Bilateral blindness (legally blind); | • Hemipelvectomy; | • Profound hearing loss in one ear and severe hearing loss in the other ear; |
| • Bilateral hearing loss (severe or profound); | • Hemophilia A (severe); | • Progeria; |
| • Cardiac functional class of 4/IV or an ejection fraction of 20% or less; | • Hip disarticulation; | • Quadriplegia or tetraplegia; |
| • Cerebral palsy (severe); | • Huntington disease; | • Relies only on lip-reading and/or uses sign language to understand conversations or communicate; |
| • Chronic obstructive pulmonary disease, stage III or higher; | • Ileostomy (permanent); | • Renal (kidney) failure requiring lifelong hemodialysis or peritoneal dialysis; |
| • Colostomy (permanent); | • Intellectual disability (severe, profound, or IQ of 70 or below); | • Requires lifelong continuous supplemental oxygen; |
| • Cystic fibrosis; | • Lower limb amputation (leg or foot); | • Schizophrenia; |
| | • Microcephaly; | |
| | • Paraplegia; | |

- Sickle cell disease (severe) requiring transfusions;
- Sign language is primary means of communicating due to profound hearing loss or expressive aphasia;
- Spinal muscular atrophy, types 1 and 2;
- Stroke (severe), no functional recovery;
- Tay-Sachs disease (infantile/juvenile);
- Total mutism;
- Traumatic brain injury (severe); and
- Upper limb amputations (trans carpal or higher).

Under this proposal, for individuals who have at least one of the listed medical conditions, a qualified medical practitioner would need to certify the individual has the medical condition. The practitioner would **no longer be required to certify the individual's impairment is severe and prolonged and its effects meet the legislated thresholds regarding daily living impacts**. This measure would apply to DTC certifications issued for the 2026 and subsequent taxation years.

The proposal would not change the disability criteria to qualify for the DTC, and the CRA would continue to have authority to ask for additional information to verify these criteria are met. This would include the requirement for the individual to have a severe and prolonged impairment in physical or mental functions and for the impacts of the impairment to meet at least one of the applicable legislated thresholds regarding daily living impacts. For any medical conditions not mentioned in the list but that meet the legislated requirements to qualify for the DTC, a medical practitioner would continue to be able to certify DTC eligibility as before.

The Spring Economic Update 2026 proposes to **expand the types of impairments that may be certified by certain qualified medical practitioners** for the purposes of the DTC as follows:

- An occupational therapist would be permitted to certify impairments affecting eliminating

(bowel or bladder functions), including under cumulative effects of multiple restrictions;

- A physiotherapist would be permitted to certify impairments affecting feeding or dressing, as well as cumulative effects of multiple restrictions pertaining to walking, feeding, and/or dressing; and
- A speech-language pathologist would be permitted to certify impairments affecting feeding or hearing, as well as cumulative effects of multiple restrictions pertaining to speaking, feeding, and/or hearing.

The Spring Economic Update 2026 also proposes to **add podiatrists** to the list of medical practitioners who may certify impairments for the DTC. An individual who holds a license to practice as a podiatrist in a province (or under the laws of a jurisdiction in which an individual resides) would be permitted to certify impairments affecting walking that are within their scope of practice to assess.

These measures would apply to DTC certifications issued after 2026 for the 2027 and subsequent taxation years.

Finally, the Spring Economic Update 2026 proposes to allow **provincial or territorial public guardians, trustees, and public curators (in the case of Québec)** to certify, on the DTC application form for an adult under their care for property matters, that the individual has a valid certificate

of incapacity (or equivalent document) issued by a healthcare professional in accordance with applicable provincial or territorial laws for determining decision-making capacity. The Update further proposes to allow **Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada** to provide similar certification for adult dependants in their care for property matters under the *Indian Act*.

Where such a certification is provided, a qualified medical practitioner would no longer be required to certify the individual's impairment for their DTC application. The CRA would continue to have authority to require additional information to verify that all other eligibility requirements are met.

This measure would apply to DTC certifications issued for the 2026 and subsequent taxation years.

FORMUSA ZUCCARO LLP
CHARTERED PROFESSIONAL ACCOUNTANTS



Phone 905.850.0852



Fax
905.482.8380



info@formusazuccaro.ca



3000 Langstaff Road, Unit 17
Vaughan, ON L4K 4R7



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS