



Ottawa, Canada K1A 0G5

FEV 21 2018

2017FIN457965

Ms. Margaret Parlor  
President  
National ME/FM Action Network  
president@mefmaction.com

Dear Ms. Parlor:

On behalf of the Minister of Finance, the Honourable Bill Morneau, thank you for your correspondence of July 5, 2017 regarding access to the Disability Tax Credit (DTC) for individuals with Fibromyalgia (FM) and Chronic Fatigue Syndrome (CFS). Please excuse the delay in replying.

In response to the issues you raised in your correspondence, I would like to take the opportunity to provide some information on the eligibility criteria for the DTC.

To ensure that tax relief under the DTC is provided to those most in need, no specific impairment or condition, with the exception of blindness, automatically grants eligibility for the DTC. Rather, eligibility for the DTC is determined by the Canada Revenue Agency (CRA) on a case-by-case basis, based on certification by a medical doctor of the effects of the impairment on an individual's ability to perform basic activities of daily living. The eligibility criteria for the DTC are not tied to an ability to work or study. As defined in the *Income Tax Act*, the basic activities of daily living are walking, feeding and dressing oneself, mental function necessary for everyday life, speaking, hearing, and eliminating bodily waste.

You have recommended that the basic activities of daily living be expanded to include functional capacity necessary for everyday life. Please note that the Technical Advisory Committee on Tax Measures for Persons with Disabilities (TAC) undertook an extensive examination of the DTC in 2004, including of the basic activities of daily living, though it did not make any specific recommendations to expand the activities in this regard.

I would like to highlight that functional capacity may be considered in the assessment of an individual's ability to perform the basic activities of daily living. As an example, individuals who are unable to prepare food, or who take an inordinate amount of time to do so all or substantially all of the time, are generally considered to have a marked restriction in that activity, regardless of the type of medical condition (i.e., whether that restriction is owing to a neurological condition, mental impairment, restriction in motor function, or sensory impairment). Requiring that each individual be assessed against the same criteria, based on information provided by a medical practitioner, helps to ensure that the tax relief provided by the DTC is targeted to those who need it the most.

That said, I can certainly appreciate that the circumstances faced by individuals with FM, CFS, and related conditions can be difficult. On the recommendation of the TAC, legislative changes were made to the DTC to allow more individuals to qualify, including individuals who have significant restrictions in more than one basic activity of daily living, where the cumulative effect of their restrictions is equivalent to having a single, marked restriction in one basic activity of daily living.

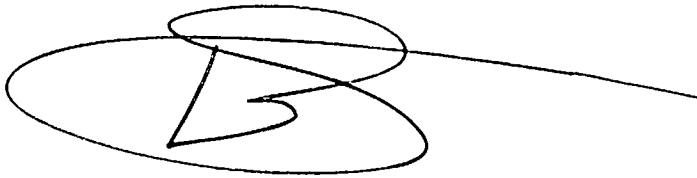
An example of an individual in this situation is someone who can walk 100 metres, but then must take time to recuperate, or who can carry out the mental functions necessary for everyday life, but can concentrate on any topic for only a short period of time. While each of these restrictions on its own does not markedly restrict a specific basic activity of daily living, when taken together, they may have an effect equivalent to that of a marked restriction in a single activity.

The determination of whether or not an individual qualifies for the DTC is the responsibility of the CRA, which administers the *Income Tax Act*. Therefore, we have forwarded a copy of your correspondence to the Minister of National Revenue, the Honourable Diane Lebouthillier, who is responsible for the administration of the DTC, so she may also be made aware of your views.

Tax policy is continually under review by the Department of Finance Canada to ensure the tax system is fair for Canadians, efficient, and fiscally responsible. In this regard, comments and suggestions received from Canadians will be given serious consideration.

Thank you for writing.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'E' followed by a horizontal line extending to the right.

Elliot Hughes  
Deputy Director – Tax Policy  
The Office of the Honourable Bill Morneau – Minister of Finance

c. The Office of the Honourable Diane Lebouthillier, P.C., M.P.