

Practice with case studies

Persons with disabilities

Claiming the disability tax credit

Pre-test question

Select True or False

If Rebecca depended on her niece, who lives next door, for support due to her disability then Rebecca could claim the Canada caregiver amount.

True

Sorry, that's incorrect

Rebecca would not be able to claim this amount unless she was the one providing care for someone else.

False

That's correct

Rebecca would not be able to claim this amount unless she was the one providing care for someone else.

Instructions

1. Open the tax software
2. Review the **Background information** and **Required slips** (tax slips, receipts, etc.)
3. Provide all required information for the appropriate sections of the tax software
4. Once completed, compare your results with the solution provided
5. Afterwards, refer to the **Takeaway points**

Background information

Situation

Rebecca receives the Canada Pension Plan (CPP) disability benefit and works part-time. On December 1, 2023, she had her bathroom modified to make it accessible at a cost of \$1,000. Rebecca has previously been approved for the disability tax credit (DTC) and wants to claim the DTC as well as the cost of the bathroom renovation on her tax return. She has a prescription from her doctor for the bathroom modification.

Identification information

Name	Rebecca Healy
Social insurance number (SIN)	000 000 000
Address	123 Main Street City, Province X0X 0X0
Date of birth	March 8, 1960
Marital status	Divorced

Takeaway points

Steps to follow

1. Review their background information and required slips
2. In **Interview setup**, tick the boxes next to:
 - **Employment income and employment insurance benefits (T4, T4E/RL-6)** in the **Employment and other benefits** section
 - **Pension income, other income and split pension income, COVID-19 benefits (T4A, T4FHSA, T4A(OAS), T4A(P), T4A-RCA, T4RSP, T4RIF, T1032)** in the **Pension and other income** section
 - **Medical expenses, disability, caregiver** in the **Common tax deductions** section
3. Click **T4 and employment income** in the left-side menu, and click the + sign next to **T4 income (earned in any province except Quebec)** to enter the information from the tax slip
4. Click **T4A, T4FHSA and pension income** in the left-side menu, and click the + sign next to **T4A(P) – Statement of Canada or Québec pension plan benefits** and enter the information from the tax slip
5. Click **Medical, disability, caregiver** in the left-side menu, and click the + sign next to **Infirmity and Disability amounts claim for yourself* (line 31600)** in the **Disability deductions, caregiver** section
6. Enter the applicable information into the **Name or description of infirmity** field, then select **Claim disability amount (default)** from the **Are you eligible for the disability amount on federal line 31600?** drop-down menu, and select **Yes** from the **Does this infirmity provide entitlement to the Canada caregiver amount?** drop-down menu
7. Click **Medical, disability, caregiver** in the left-side menu and click the + sign next to **Home accessibility expenses (line 31285)** in the **Disability deductions, caregiver** section

8. Select **Let MaxBack decide (default)** from the **Select how you want to claim the Federal Home Accessibility Expenses credit** drop-down menu and complete the **Home renovation expenses** section

Although the information is not transmitted to the CRA, the **Name or description of infirmity** is still a mandatory field when claiming the disability tax credit. If the individual does not volunteer this information, simply enter **Unknown** into the field.

For more information, refer to [UFile instructions](#).

Review your results

Federal	
Rebecca Healy	
◆ Total income	
10100 Employment income	\$15,612.00
11400 CPP or QPP benefits	\$9,801.72
15000 Total income	\$25,413.72
◆ Net income	
23600 Net income	\$25,413.72
◆ Taxable income	
26000 Taxable income	\$25,413.72
◆ Non refundable tax credits	
30000 Basic personal amount	\$15,000.00
31200 Employment Insurance premiums through employment	\$246.67
31260 Canada employment amount	\$1,368.00
31285 Home accessibility expenses	\$1,000.00
31600 Disability amount (for self)	\$9,428.00
33099 Medical expenses	\$1,000.00
33200 Allowable portion of medical expenses	\$237.59
33500 Total	\$27,280.26
33800 Total @ 15%	\$4,092.04
35000 Non refundable tax credits	\$4,092.04
◆ Refund or balance owing	
42900 Basic federal tax	\$0.00
40500 Federal foreign tax credit (T2209)	\$0.00
40600 Federal tax	\$0.00
42000 Net federal tax	\$0.00
42800 Provincial or territorial tax	\$300.00
43500 Total payable	\$300.00
43700 Total income tax deducted	\$1,122.00
◆ Payments and credits	
45200 Refundable medical expense supplement	\$59.40
45300 Canada workers benefit (CWB) (schedule 6)	\$2,236.19
48200 Total credits	\$3,417.59
48400 Refund	\$3,117.59