

Autism and The Income Tax Act

Dealing with an autistic child can be an ongoing challenge at both emotional and financial levels . With the financial aspect in mind , it is important that parents be aware that certain provisions in the Income Tax Act provide at least a bit of financial relief .

In order to qualify for the variety of tax credits and benefits , an application must first be made using [Form T2201 - the Disability Tax Credit Certificate](#) . The form is to be completed by the individual's doctor and it is then forwarded to Canada Revenue Agency for a determination of eligibility . The eligibility may be for the current and future years and sometimes applies to prior years . In cases where the eligibility applies to prior years , it is possible to amend tax returns for those years . This often results in substantial refunds for those past years .

The areas of the Income Tax Act that provide a benefit to parents of children with autism are generally in the areas of :

1. Child Disability Benefit
2. Child care expenses
3. Amount for an Eligible Dependant
4. Caregiver amount
5. Disability amount transferred from a dependant
6. Medical expenses

Child Disability Benefit

The Child Disability Benefit is paid in connection with the Child Tax Benefit and depending on family income can provide up to \$195.91 per eligible child per month . This benefit is family income related and will not be paid in all cases . It will be calculated by CRA provided that they are aware of a child under age 18 being disabled .

Child care expenses

The cost of providing child care is normally deductible for the spouse with the lower income against their earned income . There are exceptions where the higher income spouse can take the deduction but these are only available when the other spouse is infirm , at school or incarcerated .

The deduction of these expenses is ordinarily restricted to children under age 16 , but the deduction is available for children over 16 if they are disabled with a mental or physical impairment .

Amount for an Eligible Dependant

This credit is available to single parents who support a child under 18 or a disabled child over the age of 18 . It is also available in a number of other circumstances where an infirm relative is being supported .

Caregiver Amount

The Caregiver Amount is a tax credit available to either spouse in a situation where they are providing care to a dependant in their home . It is restricted by the dependant's income .

Disability amount transferred from a dependant

Where a dependant has a disability claim available to them and is unable to utilize that amount by virtue of their income , it can be transferred to a qualifying individual , usually a parent if they reside with their parents .

Medical expenses

In addition to normal medical expenses that may be claimed as non-refundable tax credits , travel costs associated with getting treatment are allowed provided that the services are not available locally (ie, further away than 40 km) These expenses may be included in the total of medical expenses for the claim year . Often , travel by automobile is the most convenient method and the claim can be made by either prorating the cost of auto operation between personal and medical travel or by a simplified method whereby the distance travelled is multiplied by a flat rate . In either case it is important to keep a log book detailing the medical travel . In addition , if travel exceeds 80 km , the cost of meals and accommodation can be claimed as well . Meals can be claimed on a flat rate basis per person or by receipts but accommodation must be supported by receipts .

The above discussion is certainly not comprehensive but is meant to draw attention to the major items that parents of disabled children should be aware of when they complete their income tax returns each year . Each case will vary but it is important to have your physician complete the T2201 to determine if the child qualifies for the variety of credits .

The Canada Revenue Agency has produced a very good guide book entitled "Medical and Disability - Related Information" . It can be downloaded from the CRA website and addresses a number of additional tax measures that may be of value to people who are dealing with disabilities . The guide book is [referenced RC4064\(E\) Rev.07](#) if readers wish to get further information .