# Medical Expense Tax Credit and Learning Disabilities

If you have a child with a learning disability, you may qualify for valuable revenue tax credits.

The Learning Disabilities Association of Canada (LDAC) has engaged in several correspondence and meetings with Finance Canada and Canada Revenue Agency (CRA) over the last few years to ensure that individuals with learning disabilities are fairly treated under the Income Tax Act. Because tax laws are complex, and many tax preparers often do not use these unique tax credits, families risk losing refunds worth many thousands of dollars.

This article summarizes the most significant tax benefits and should not be considered legal advice. Tax decisions should not be made based on the information provided here. You are advised to print out this article and give a copy to your tax advisor.

The following are clarifications on several expenses related to learning disabilities that are eligible under the Income Tax Form's Medical Expense Tax Credit (METC).

1. **The cost of a psychological assessment to determine if there is a diagnosis of learning disabilities**.

   Section 118.2(2) (a) of the Income Tax Act includes as an expense eligible for the Medical Expense Tax Credit (METC) payments to a medical practitioner, where a medical practitioner may be an authorized psychologist.

2. **Tutoring services to remedy basic academic skills, notably reading, spelling, written expression and mathematics, when the delay in acquisition of basic academic skills is secondary to specific learning disabilities.**

   The 1999 federal budget expanded the list of expenses eligible for the METC to include tutoring for persons with learning disabilities.

3. **Tutoring services to remedy deficits and maximize strengths in the learning disabilities profile, including organizational strategies, study skills, time management, coordination activities, social skills training, and strategies to improve attention, memory, reasoning, logic, communication, and nonverbal visual-perceptual abilities.**

   These expenses are related to expanding eligible expenses in the 1999 federal budget.

4. **Transportation costs to and from assessment, therapy and tutoring sessions.**

   Specified transportation costs incurred to obtain medical services are included as eligible expenses under section 118.2 (2) (g) and 118.2 (2) (h) of the Income Tax Act. If a medical expense is an eligible expense under the METC, then the related qualifying transportation costs may also qualify as an eligible expense. Generally, eligibility is restricted to transportation over 40 kilometres to ensure that only above-average expenses receive tax assistance.

5. **Costs associated with other therapy services not covered under Medicare (i.e., speech, occupational therapy or psychological therapy)**

   Again, section 118.2 (2) (a) of the Income Tax Act includes as an expense eligible for the METC payments to a medical practitioner, who may be one of several medical professionals as described in Revenue Canada's Interpretation Bulletin, IT-519R2. Also, the 1999 federal budget extends the METC, under certain conditions, to medical therapies prescribed by a medical doctor, psychologist or occupational therapist, but which do not require a qualified therapist or medical practitioner to administer.

6. **Fees for specialized camps (summer/winter) and specialized private schools. In this case, the specialization is learning disabilities.**

   The relevant legislation is section 118.2 (2) (e) of the Income Tax Act. This provision of the METC includes care and training at a school, institution or other place specializing in the disability that the individual is attending as an eligible expense.

Top

## Key Tips

You do not need to apply for the Disability Tax Credit Certificate to claim any of the eligible medical expenses. Services purchased must be provided by someone ordinarily engaged in providing such a service to the public and must not be related to the patient.

The following written documentation must accompany a claim:

1. A letter (copies of assessment are not necessary) from a medical practitioner certifying that the individual is a person who, because of a diagnosed learning disability, requires the services.

2. A letter from the service provider certifying that the individual receives such a service because of his/her learning disability, along with a detailed description of the individual's program with the service provider.

3. Original receipts of services purchased (please keep a copy for your files).

Computer and software costs are still not accepted as eligible expenses.

Tax decisions should not be made based on the information in the fact sheet. **You are advised to photocopy this fact sheet, give a copy to your tax advisor and consult with them.**

Source: Learning Disabilities Association of Canada