UNDERSTANDING THE DTC APPLICATION PROCESS

The Disability Tax Credit (DTC) is a non-refundable tax credit designed to support Canadians living with severe and prolonged impairments. It can bring significant value for eligible individuals and families, not only through financial support, but also by opening the door to a range of additional programs and services. To apply, individuals must complete *Form T2201 Disability Tax Credit Certificate ("Form T2201")*, which requires both personal and medical information. Understanding the application process is essential to ensuring a smooth, efficient, and hopefully successful application.

Historically, Form T2201 could only be submitted as a paper application. In 2023, the CRA introduced a digital DTC application process[1] to simplify and expedite the submission experience. The form itself has two parts: **Part A**, completed by the applicant, and **Part B**, completed by a qualified medical practitioner.

Form T2201 Part A – "Individual's Section"

Whether the applicant decides to complete Form T2201 using the digital form or the paper form, they will need to complete Part A of Form T2201 before providing it to the medical practitioner. Part A of the Form T2201 is comprised of four sections.

The first section of Part A requires the applicant to provide the personal details of the person with the disability. This basic information includes the first and last name, social insurance number, mailing address, and date of birth of the individual with the disability.

The second section is required if someone other than the individual with the disability will be claiming the DTC on their tax return through a transfer of an unused DTC credit to a "supporting individual"[2].

The third section of Part A provides the applicants consent for CRA to automatically apply the DTC to prior years' tax returns if you are determined to be eligible for those prior years. This is done by checking the appropriate box on Form T2201. Up to 10 years of previous tax returns can apply the DTC retroactively, which may result in a meaningful tax refund to the disabled individual.

The final section of Part A requires a signature. Depending on the situation, the signature may be from the person with the disability, their legal representative, or if the person is under 18, their legal guardian.

By signing this document, you certify the information is correct and consent to have CRA request information or medical records from your medical practitioner to determine your eligibility for the DTC.

Form T2201 Part B – "Medical Practitioner's Section"

Part B of Form T2201 must be completed by a medical practitioner – a medical doctor or nurse practitioner – to certify the individual's eligibility for the DTC. Depending on the nature of the impairment, other regulated health professionals—such as optometrists, audiologists, occupational therapists, physiotherapists, psychologists, and speech-language pathologists—may also complete the relevant sections of Part B that fall within their scope of expertise (e.g., vision, hearing, mobility).

Although Part A must be completed for either submission method, the process for completing Part B depends on whether you are using the digital or paper version of the form.

[1] https://www.canada.ca/en/revenue-agency/services/tax/individuals/segments/tax-credits-deductions-persons-disabilities/disability-tax-credit/how-apply-dtc.html#toc1

[2] While the rules surrounding "supporting individuals" is beyond the scope of this document, additional information can be found online in the CRA Income Tax Folio "S1-F1-C2, Disability Tax Credit".

Digital Form

The digital application is initiated by the applicant through their CRA "My Account" access.

After completing Part A of the digital form, the applicant will receive a reference number which they can provide to their medical practitioner. With the reference number, the medical practitioner can then access the applicant's digital Form T2201, where the practitioner will complete Part B.

Once Part B is completed by the medical practitioner, the form is automatically submitted electronically to the CRA for review. As noted above, the CRA may request additional information from the medical practitioner as part of their review.

How to find the digital form:

1. Sign in to CRA "My Account"
2. Scroll down to "Benefits and credits"
3. Select "Benefits and credits"
4. Select "Apply for DTC"

Paper Form

DTC applicants who don't have digital access or prefer not to apply online may apply by phone or by mail using a paper copy of Form T2201.

After completing Part A of your paper Form T2201, give the form to your medical practitioner so they can complete Part B. You should ensure that the medical practitioner has completed Part B by signing the "Certification" section on the last page.

Once the form is completed and signed, it should be mailed to the applicant's CRA Tax Centre. This can be done either by the applicant or the medical practitioner. The CRA Tax Centre depends on where the applicant lives in Canada. If you do not know the appropriate CRA Tax Centre, contact your tax professional or the CRA to confirm.

How long will it take?

The CRA aims to process an application and mail a notice of determination stating the applicant's eligibility within 8 weeks of receiving a completed Form T2201. However, at the time of writing, CRA is stating that processing delays are taking place due to a "higher than normal intake volume".

Annual applications are not necessary unless specifically indicated and are generally dependent on the nature of the disability.

Navigating Form T2201 is an important first step in applying for the DTC. By ensuring all sections are completed accurately and choosing the submission method that best suits your circumstances, you help set the stage for a timely and successful application to CRA. For personalized support and to better understand how the DTC may benefit you or a family member, reach out to your Wellington-Altus advisor or trusted tax professional.