



# TAX TIPS FOR PEOPLE WITH KIDNEY DISEASE

## 2023 TAXATION YEAR

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Every year during tax season, The Kidney Foundation of Canada prepares general tax tips for people who are on dialysis or have had a kidney transplant. The income tax assistance measures most often used by people with kidney disease are the **Medical Expense Tax Credit** (page 2) and the **Disability Tax Credit** (page 8). These are **non-refundable tax credits** that reduce the amount of income tax you owe. They can't reduce the amount of tax owed to less than zero, meaning they won't reimburse your medical expenses, but they reduce the amount of income tax you need to pay.

Information on additional tax assistance measures can be found starting on page 10. Please see page 14 for information on Tax Preparation Clinics. Sample letters start on page 16.

**Note:** The information provided below is general in nature and does not necessarily cover all circumstances. While we make every effort to be accurate, we recommend that you seek professional tax advice for your individual questions. The Canada Revenue Agency (CRA) provides detailed instructions for claiming the various tax credits and deductions that are available. You can find these instructions on the [CRA Website](#) or [get help with your CRA benefits and credits](#) by phone, in the Yukon, Northwest Territories and Nunavut at 1.866.426.1527 and in the rest of Canada at 1.800.387.1193

## MEDICAL EXPENSE TAX CREDIT

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The *Medical Expense Tax Credit* is a non-refundable tax credit that you can claim for a wide range of medical and related expenses.

You can claim eligible medical expenses on line **33099** that you or your spouse or common-law partner paid for:

- Yourself
- Your spouse or common-law partner
- Your or your spouse's or common-law partner's children who were under 18 years of age at the end of the tax year.

On line **33199** you can claim the part of eligible medical expenses you or your spouse or common-law partner paid for any of the following person who depended on you for support;

- Your or your spouse's or common-law partner's children who were 18 years of age or older at the end of the tax year, or grandchildren.
- Your or your spouse's common-law partner's parents, grandparents, brothers, sisters, uncles, aunts, nephews, or nieces who were residents of Canada at any time in the year.

You have to calculate, for **each** dependant, the medical expenses that you are claim on line 33199.

You can claim eligible medical expenses in any **12-month period ending in 2023** and not claimed by your or anyone else in 2022. For a person who died in 2023, a claim can be made for expenses paid in any **24-month period** that includes the date of death if the expenses were not claimed for any other year.

Your total expenses must be more than **3% of your net income** (line 23600) or \$2,635 whichever is less.

Common expenses for people with kidney disease that can be claimed are listed here:

## TRAVEL EXPENSES

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To claim transportation and travel expenses, **all** of the following conditions must be met:

- Substantially equivalent medical services were not available near your home.
- You took a reasonably direct travelling route.
- It is reasonable, under the circumstances, for you to have travelled to that place for those medical services.

If a medical practitioner certifies in writing that you were not able to travel alone to get medical services, you can also claim the transportation and travel expenses of an attendant.

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### TRANSPORTATION: AT LEAST 40 KILOMETRES

If you had to travel at least 40 kilometres (one way) from your home to get medical services, you may be able to claim the public transportation expenses you paid (for example, taxis, bus, or train) as medical expenses. Where public transportation is not readily available, you may be able to claim vehicle expenses.

If you traveled less than 40 kilometres from your home to get medical services, you cannot claim travel expenses as medical expenses. You also cannot claim travel expenses if you travel only to pick up a device or medication.

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### TRANSPORTATION: AT LEAST 80 KILOMETRES

If you had to travel at least 80 kilometres (one way) from your home to get medical services, you may be able to claim accommodation, meal, and parking expenses in addition to your transportation expenses as medical expenses. This **may** include travelling outside Canada.

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## ACCOMMODATION EXPENSES

You may be able to claim accommodation, meal, and parking expenses in addition to your transportation expenses as medical expenses.

You must keep receipts for all accommodation expenses, and you must be able to show that the amount paid for accommodation is necessary because of the distance travelled and your medical condition. Claim the amount for accommodation as shown on your receipts.

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## MEAL EXPENSES

### *Detailed method*

If you use the detailed method to calculate meal expenses, you must keep your receipts and claim the actual amount that you spent for your 12-month period.

### *Simplified method*

If you use the simplified method to calculate meal expenses, you can claim in Canadian or US funds a **flat rate of \$23/meal**, to a **maximum of \$69/day** (sales tax included) per person, without receipts. Although you do not need to keep detailed receipts for actual expenses if you use the simplified method, the CRA may still ask you to provide some documentation to support your claim.

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## VEHICLE EXPENSES

### *Detailed method*

If you use the detailed method to calculate vehicle expenses, you must keep all receipts and records for the vehicle expenses you incurred during the 12-month period you choose for medical expenses.

Vehicle expenses include:

- Operating expenses such as fuel, oil, tires, licence fees, insurance, maintenance, and repairs.
- Ownership expenses such as depreciation, provincial tax, and finance charges.

Keep track of the number of kilometres you drove in that time period, as well as the number of kilometres you drove specifically for the medical expenses. Your claim for vehicle expenses is the percentage of your total vehicle expenses that relate to the kilometres driven for moving or medical expenses. For example, if you drove 10,000 km during the year, and half of that was related to medical expenses, you can claim half of the total vehicle expenses on your return.

### *Simplified method*

Although you do not need to keep detailed receipts for actual expenses if you choose to use the **simplified method**, you may still be asked you to provide some documentation to support your claim. Keep track of the number of kilometres driven during the tax year for your trips relating to the 12-month period you choose for medical expenses. To determine the amount you can claim for vehicle expenses, multiply the number of kilometres by the cents/km rate from the chart below for the province or territory in which the travel begins.

<b>Province or Territory</b>	<b>Cents/Kilometre</b>
Alberta	53.0
British Columbia	56.5
Manitoba	54.5
New Brunswick	57.5
Newfoundland and Labrador	59.0
Northwest Territories	70.5
Nova Scotia	58.0

Nunavut	67.5
Ontario	59.0
Prince Edward Island	56.0
Quebec	57.5
Saskatchewan	52.5
Yukon	70.5

These rates were taken from the Government of Canada's [Meal and Vehicle Rates Used to Calculate Travel Expenses](#) page.

Although you do not need to keep detailed receipts for actual expenses, the CRA may still ask you to provide some documentation to support your claim.

## HOME HEMODIALYSIS OR PERITONEAL DIALYSIS MACHINE ("KIDNEY MACHINE")

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People who have installed a home hemodialysis machine may claim the following costs:

- Repairs, maintenance, and supplies
- Additions, renovations, or alterations to a home (the hospital official who installed the machine must certify in writing that they were necessary for installation)
- The part of the operating costs of the home that relate to the machine (excluding mortgage interest and capital cost allowance)
- A telephone extension in the dialysis room and all long-distance calls to a hospital for advice or to obtain repairs
- Necessary and unavoidable costs to transport supplies

To calculate the cost for housing the machine (that is, municipal taxes, insurance, heating, lighting, and maintenance and repairs, but not including capital cost allowance or mortgage interest) or the portion of rent that is attributable to the room where the machine is kept: you should use percent of square footage of your home and pro-rate your expenses. So, if you keep your dialysis machine in a room that is 20% of the square footage of your home, you can claim 20% of the expenses of your taxes, insurance, heating, lighting, rent, etc.

To calculate the utilities (water) you can claim what can reasonably be attributed to the machine. One way to calculate this would be to look at the difference between the bills you received before the machine was installed and those after it was installed. The difference in the cost is what you could claim.

Some provinces have utility reimbursement programs. If you claim utility costs for home hemodialysis as tax credits:

1. Add up your expenses in the same manner you have in the past
2. Deduct your grant total from this amount

The remaining amount is what you would claim as tax credits.

## ORGAN TRANSPLANT

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You may claim reasonable amounts you paid to find a compatible donor, to arrange the transplant including legal fees, insurance premiums, and reasonable travelling costs including board and lodging expenses for the patient, the donor, and their respective attendants. All provinces have programs to reimburse living donors for the costs associated with donation (parking/transit, meals, accommodation, etc.). Any costs for which reimbursement is provided cannot be claimed as medical expenses.

## PRESCRIPTION DRUGS AND MEDICATIONS

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You can claim the cost of prescription drugs and medications that were prescribed by a medical professional and were recorded by a pharmacist. You **cannot** claim over-the-counter medications, vitamins, or supplements, even if prescribed by a medical professional (except Vitamin B12).

## DRUGS AND MEDICAL DEVICES BOUGHT UNDER HEALTH CANADA'S SPECIAL ACCESS PROGRAM

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You can claim the amounts paid for drugs and medical devices that have not been approved for use in Canada if they were bought under this program. For more information, visit [Health Canada's Special Access Programs](#) overview page.

For a complete list of the medical expenses you can claim, visit the Government of Canada's page on [Eligible medical expenses you can claim on your tax return.](#)

## DISABILITY TAX CREDIT

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The *Disability Tax Credit* is a non-refundable tax credit helps persons with disabilities or their supporting persons reduce the amount of income tax they may have to pay. The credit will reduce your income tax payable if you qualify. If you have no tax payable, you may transfer the credit to a spouse or other supporting person. Dialysis is a life-sustaining therapy when it meets all of the following criteria:

- The therapy is needed to support a vital function, even if it eases the symptoms.
- The therapy is needed at least **two times** per week.
- The therapy is needed for an average of at least **14 hours** per week.

You must dedicate the time for the therapy – that is, you have to take time away from your normal, everyday activities to receive it. It includes the time you need to set up a portable device.



**We recommend that all dialysis patients apply for the *Disability Tax Credit*.** Your renal social worker can help you with the paperwork, if needed. The application is easily completed and there is no need for a private company to assist.

You are eligible for the Disability Tax Credit if the CRA approves Form T2201 Disability Tax Credit Certificate. A medical professional must fill out Part B of this form and certify that you have a severe and prolonged impairment and must describe its effects. In Part B, under Life Sustaining Therapy, we recommend that your doctor answer 'yes' to the question: "Does your patient meet the conditions for life-sustaining therapy?" and specify the type of therapy as "kidney dialysis to filter blood." The attached letter, "Addendum to the Disability Tax Credit Certificate" may also be helpful in explaining the diagnosis of End-Stage Renal Disease and the time required for dialysis. The application for the T2201 Disability Tax Credit Certificate is available on the Government of Canada's [T2201 Disability Tax Credit Certificate](#) page. There is also a new [online application](#) process available.

The maximum federal disability amount for 2023 is **\$ 9,428** for those over the age of 18, and an additional **\$5,500** for persons under 18 years old. (Source: Government of Canada's [Disability Tax Credit](#) page)

#### Registered Disability Savings Plan (RDSP)

The RDSP is a federal government program that encourages people with disabilities to save in order to become more financially secure. It is similar to paying into a private pension plan and the government matches personal contributions up to a certain amount. Canadian residents under the age of 60 who qualify for the Disability Tax Credit may be eligible to open an RDSP for their child if they meet certain criteria. For more information, visit the Government of Canada's [Registered Disability Savings Plan](#) page.

## ADDITIONAL TAX ASSISTANCE MEASURES

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Information on additional COVID-19 amounts for which you may be eligible, including the Canada Recovery Caregiving Benefit (CRCB), Canada Worker Lockdown Benefit (CWLB), and the Canada Recovery Sickness Benefit (CRSB), can be found on the Government of Canada's [Changes to Taxes and Benefits](#) page.

## CANADA CAREGIVER CREDIT (CCC)

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You may be able to claim the CCC for one or more of the following individuals if they depend on you for support because of a physical or mental impairment:

- your (or your spouse's or common-law partner's) child or grandchild
- your (or your spouse's or common-law partner's) parent, grandparent, brother, sister, uncle, aunt, niece, or nephew (if they resided in Canada at any time in the year)

An individual is considered to depend on you for support if they rely on you to regularly and consistently provide them with some or all of the basic necessities of life, such as food, shelter and clothing.

The amount you can claim depends on your relationship to the person for whom you are claiming the CCC, your circumstances, the person's net income, and whether other credits are being claimed for that person.

- For your spouse or common-law partner, you may be entitled to claim an amount of \$2,499 in the calculation of line 30300. You could also claim an amount up to a maximum of \$7,999 on line 30425.
- For an eligible dependant 18 years of age or older (who is a person you are eligible to make a claim for on line 30400), you may be entitled to claim an amount of \$2,499 in the calculation of line 30400. You could also claim an amount up to a maximum of \$7,999 on line 30425.

- For an eligible dependant under 18 years of age at the end of the year (who is a person you are eligible to make a claim for on line 30400), you may be entitled to claim an amount of \$2,499 in the calculation of line 30400 or on line 30500 for your child.
- For each of your or your spouse's or common-law partner's children under 18 years of age at the end of the year, you may be entitled to claim an amount of \$2,499 on line 30500.
- For each dependant 18 years of age or older who is not your spouse or common-law partner or an eligible dependant for whom an amount is claimed on line 30300 or on line 30400, you may be entitled to claim an amount up to a maximum of \$7,999 on line 30450.

More information is available on the Government of Canada's [Canada Caregiver Credit](#) page.

## REFUNDABLE MEDICAL EXPENSE SUPPLEMENT

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You can claim a refundable credit if all of the following apply:

- you have an amount on line 21500 or line 33200 of your return
- you were resident in Canada throughout 2023
- you were 18 years of age or older at the end of 2023
- your adjusted family net income is less than \$58,944

In addition, the total of the following two amounts is \$4,083 or more:

- your employment income from line 10100 and line 10400 of your return (other than amounts received from a wage-loss replacement plan) minus the amounts from lines 20700, 21200, 22900, and 23100 of your return (if the result is negative, consider it as "0")
- your net self-employment income (not including losses) from lines 13500, 13700, 13900, 14100, and 14300 of your return

Complete the chart for line 45200 using the Federal Worksheet to calculate your claim. You can claim this supplement for the same medical expenses that you claimed on line 21500 and line 33200 of your return.

More information is available on the Government of Canada's [Refundable Medical Expense Supplement](#) page.

## DISABILITY SUPPORTS DEDUCTION

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If you have a physical or mental impairment, you can claim a disability supports deduction if you paid expenses that no one has claimed as a medical expense, and you paid them so that you could:

- Work
- Go to school
- Do research for which you received a grant

More information is available on the Government of Canada's [Disability Supports Deduction](#) page.

## FEDERAL EXCISE GASOLINE TAX REFUND PROGRAM

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You may qualify to have a portion of the federal excise tax on gasoline refunded to you if you have a letter from a medical professional certifying that you have a permanent mobility impairment and cannot safely use public transportation. More information and the application form are available on the Government of Canada's [Excise Gasoline Tax Refund](#) page.

## HOME ACCESSIBILITY TAX CREDIT

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You may be able to claim a home accessibility tax credit to help with the cost of making your home accessible, if you or your dependant are eligible for the Disability Tax Credit at any time during the year, or are 65 years or older at the end of **2023**.

To claim home accessibility expenses complete line 31285 for Home accessibility expenses on the [Federal Worksheet](#), and enter the amount from line 4 of your worksheet on line 31285 of your return.

A maximum of \$20,000 per year in eligible expenses can be claimed for a qualifying individual. When there is more than one qualifying individual for an eligible dwelling, the total eligible expenses cannot be more than \$20,000 for the dwelling. The claim can be split between the qualifying individual and the eligible individual(s) for the qualifying individual. If the claimants cannot agree on what amount each person can claim, the CRA will determine the amounts.

Visit the Government of Canada's [Home Accessibility Expenses](#) page for more information.

## HOME BUYERS' PLAN

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This plan allows you to withdraw up to \$35,000 in a calendar year from your RRSPs to buy or build a qualifying home for yourself or for a related person with a disability. For more information, visit the Government of Canada's [How to Participate in the Home Buyers' Plan](#) page.

## CHILD DISABILITY BENEFIT

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The Child Disability Benefit is a tax-free payment of up to \$3,173 (\$264.41 per month) per year made to families who care for a child under age 18 who is eligible for the Disability Tax Credit. It's paid monthly with the Canada Child Benefit. The benefit starts being reduced when the adjusted family net income is greater than \$75,537. For more information, visit the Government of Canada's [Child Disability Benefit](#) page.

## CANADA WORKERS BENEFIT

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The Canada Workers Benefit is a refundable tax credit to help individuals and families who are working and earning a low income. The CWB has two parts: a basic amount and a disability supplement, and it applies Canadian residents over 19 years of age who earn a working income. For the 2023 tax year, the maximum amount is \$737 for single individuals or families eligible for the DTC.

More information is available on the Government of Canada's [Canada Workers Benefit](#) page.

## VOLUNTEER TAX PREPARATION CLINICS

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Volunteers trained by the CRA are available to help you complete your return. The program is designed to help low-income people with simple tax situations. To find a tax preparation clinic in your area go to the Government of Canada's [Free Tax Clinics](#) page.

Remember to bring your tax information slips and receipts. You can get your current year and prior year old age security (OAS), employment insurance (EI) and Canada pension plan (CPP) tax slips electronically by signing in to your [My Service Canada](#) account.

## CRA GUIDES

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Download Canada Revenue Agency guides:

[Medical Expenses 2023](#)

[Disability-Related Information 2023](#)

For more support filing your tax return, check the [CRA website](#) or call:

- Individual income tax enquiries: **1.800.959.8281**
- **Individual income tax enquiries Yukon, Northwest Territories and Nunavut:**  
**1-866-426-1527**
- T.I.P.S. (Tax Information Phone Service): 1.800.267.6999 (automated)

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## SAMPLE LETTER: TRIPS TO HOSPITAL

Date:

To Whom It May Concern:

Mr./Mrs./Ms. \_\_\_\_\_ is a dialysis/transplant patient at \_\_\_\_\_ (*Hospital Name*) in \_\_\_\_\_ (*Town/City Name*). This patient made \_\_\_\_\_ (*number of*) trips to the hospital during the year. Mr./Mrs./Ms. \_\_\_\_\_ travels \_\_\_\_\_ (*number of*) kilometres, one way from home to the hospital.

Yours Sincerely,

Dr. \_\_\_\_\_

Director of Nephrology Program

Or

\_\_\_\_\_  
Administrator, Nephrology Program



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## CERTIFICATION OF THE INSTALLATION OF A KIDNEY DIALYSIS MACHINE

Date:

Name of Hospital:

Address of Hospital:

This is to certify that the following were the minimum essential changes required to the home of \_\_\_\_\_ (*name of patient*) at \_\_\_\_\_ (*address*) in order to enable the hospital staff to install an artificial kidney machine. The machine is maintained and supervised by this hospital and is under the direct control of the undersigned.

Brief description of changes or improvements required:

Alterations to the building:

Improvements to the electrical system:

Improvements to the plumbing system:

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Director of Dialysis

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## ADDENDUM TO THE DISABILITY TAX CREDIT CERTIFICATE

For Patient: \_\_\_\_\_

To: Canada Revenue Agency

I am writing in support of this patient's application for the Disability Tax Credit. This patient has End-Stage Renal Disease and requires kidney dialysis as a life-sustaining therapy.

This patient is a: (check one)       **hemodialysis patient**  
 **peritoneal dialysis patient**

**Hemodialysis** requires that patients are attached to a dialysis machine in order to cleanse the blood of toxins. This involves attending a dialysis unit three times per week, fifty-two weeks per year. On average, patients will spend 5 hours at the unit each time. Some patients may perform hemodialysis at home, with an equivalent or greater time commitment.

**Peritoneal Dialysis (PD)** requires patients to have dialysis fluid in their peritoneal cavity so that the blood is constantly cleaned.

There are two types of **peritoneal dialysis**:

➤ **Continuous ambulatory (CAPD)**

- Patient infuses 2-3 litres of dialysis fluid in their peritoneal cavity
- Exchange of fluid is done manually 4-6 times per day, seven days per week
- Each exchange takes approximately 30-45 minutes

➤ **Automated or Continuous Cycler (APD or CCPD)**

- Patient is connected to an automatic cycler that performs the fluid exchanges while they sleep

- 2-3 litres of fluid are left in the peritoneal cavity during the day and then drained prior to connecting to the cyclor again for the night
- The patient is attached to the cyclor machine every night for 8-10 hours
- Some people are required to do additional manual exchanges during the day

**All PD patients must follow a strict daily procedure:**

- Take and record their temperature
- Weigh themselves and record their weight
- Take and record their blood pressure, both lying down and standing up
- Consider the results of the above and choose the appropriate strength of dialysis solution, referred to as dialysate
- Warm the bag of dialysate prior to infusion
- Prepare a sterile area to lay out the equipment required
- Wait 30-45 minutes for the dialysate to infuse and drain
- Dispose of “used” dialysate and disinfect surrounding area

In addition:

- Patients must assess and clean the abdominal catheter site (daily)
- A certain percentage of patients require additional time to prepare and inject medication (e.g. antibiotic, heparin, insulin) into the dialysate prior to infusion

In summary, dialysis treatment of any type is a life-sustaining therapy that requires a large investment of time.

Doctor's signature: \_\_\_\_\_

Date: \_\_\_\_\_