



# Tax Tips for Kidney Patients 2015 Taxation Year

[www.kidney.ca](http://www.kidney.ca)

Every year during tax season, The Kidney Foundation prepares general tax tips for dialysis and transplant patients to help you with completing your tax returns. The income tax assistance measures most often used by kidney patients are the *Medical Expense Tax Credit* and the *Disability Tax Credit*.

*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) also provides detailed instructions for claiming the various tax credits and deductions that are available. These can be obtained from the CRA web site [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca) (both English and French) or your local tax services office, or by calling 1-800-959-8281.*

## Medical Expense Tax Credit

The *Medical Expense Tax Credit* is a non-refundable tax credit that can be claimed for a wide range of medical and related expenses such as health care services, travel expenses, drugs, dental services, health insurance, and home renovations to install a hemodialysis machine. Out-of-country expenses over and above provincial coverage may also be included. You can claim expenses for yourself, your spouse or common-law partner, you or your spouse's or common-law partner's children born in 1998 or later, and with some limitations, for your other dependants. You must have receipts for all your expenses, with some exceptions (see transportation). You may also qualify for a refundable medical expense supplement for working individuals claiming high medical expenses. You can claim eligible medical expenses paid in any **12-month period** ending in 2015 and not claimed in 2014. Your total expenses have to be more than **3%** of your net income (line 236) or **\$2,208**, whichever is less. For additional

information and a list of the most common medical expenses you can claim, go to [www.cra.gc.ca/medical](http://www.cra.gc.ca/medical).

## Travel Expenses

Travel costs to and from medical treatment may be included as medical expenses for individuals who need to travel **more than 40 km each way**. People **who travel more than 80 km each way** may also be able to claim expenses for food and accommodations. You have the option of choosing a detailed or simplified method to calculate your travel and meal expenses:

### Simplified method

- Allows you to claim vehicle expenses by multiplying the number of kilometres by the cents/per kilometre rate specified by the CRA for the province or territory from which the travel begins.
- Meal expenses, you may claim a flat rate of **\$17 per meal, to a maximum of \$51 per day person**, without receipts. Keep in mind that you may still be asked to provide some documentation to support your claim.

### Detailed method

- You must keep your receipts and records for vehicle expenses you paid for the 12-month period for medical reasons and keep track of the total number of kms you drove specifically for medical reasons.
- For example, if you drove 10,000 km during a year, and you **drove 1,000 km** for medical reasons, then **10%** of your vehicle expenses may be claimed for travel expenses. In the case of meal expenses, you must keep your receipts.

If you require the assistance of an attendant when traveling (the need must be certified by a medical practitioner), the travel costs of the accompanying individual may also be claimed. The cost of traveling by ambulance to or from a hospital is also an eligible medical expense. Receipts are required to claim for all travel expenses, other than vehicle and meal expenses.

## CRA Cents per Km. Rates for 2015 by Province or Territory

(Rates taken from: <http://www.cra-arc.gc.ca/travelcosts/>)

Province or Territory	Cents/kilometre
Alberta	44.5
British Columbia	48.5
Manitoba	47.5
New Brunswick	49.0
Newfoundland and Labrador	52.0
Northwest Territories	61.5
Nova Scotia	49.5
Nunavut	61.0
Ontario	55.0
Prince Edward Island	48.5
Québec	50.5
Saskatchewan	46.5
Yukon	60.5

We recommend that you continue to keep accurate records of your mileage and receipts for your expenses, and get a letter from your doctor or dialysis unit in case you need to provide proof of the number of trips you made. A sample letter is attached.

### Kidney Dialysis Machine and Home dialysis

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

- Repairs, maintenance, and supplies of the machine;
- Water and electricity to operate the machine;
- The cost of housing the machine (i.e. 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.

If you use a room in your home to store dialysis supplies or as a quiet and sanitary place to do dialysis, you may qualify to claim a portion of your housing costs. For example, if you live in a

six-room house, and you use one room as a dialysis room, you may be able to deduct one sixth of the rent, heating and electricity costs. In addition, other deductions, you may claim, include:

- Additions, renovations, or alterations to a home
- A telephone extension in the dialysis room
- All calls to a hospital for advice or to arrange for repairs, and necessary and unavoidable costs to transport supplies.

The hospital official who approved installation must provide written documentation stating that the additions, renovations or alterations were necessary. A sample letter is attached.

### **Organ Transplants**

People may claim reasonable amounts paid to locate a compatible donor, to arrange the transplant including legal fees and insurance premiums, and reasonable traveling costs including board and lodging for the patient, the donor, and their respective attendants. If the donor paid his/her own expenses, and was not reimbursed, the donor may be able to claim them on his/her own income tax return.

### **Refundable Medical Expense Supplement**

A refundable credit of up to \$1,172 may be claimed by eligible working people with low incomes and high medical expenses. For more information, see the **General Income Tax and Benefit Guide** available from CRA: <http://www.cra-arc.gc.ca/E/pub/tg/5013-g/> (Line 452, page 62).

### **Drugs and Health Products**

**Health Canada** provides access to non-marketed drugs and medical devices that have not yet been approved for sale in Canada through its *Special Access Programme (SAP)* to doctors who are treating patients with serious or life-threatening conditions where conventional therapies have failed, or are unavailable or unsuitable. Further information is available at: <http://www.hc-sc.gc.ca/dhp-mps/acces/drugs-droques/index-eng.php>.

### **Disability Tax Credit**

*The Disability Tax Credit* is a non-refundable tax credit that reduces the amount of income tax that may be owed by people with disabilities or the people who support them. Dialysis is a life-

sustaining therapy that meets the criteria for this credit. 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. **We recommend that all dialysis patients apply for the *Disability Tax Credit*.** The application is easily completed and there is no need for a private company to assist as renal social workers can help patients with the paperwork, if needed. The federal disability amount for 2015 is **\$7,899** provided that it is certified by a qualified practitioner. Individuals under the age of 18 years may also qualify for a supplement. The amount may vary by province or territory: <http://www.cra-arc.gc.ca/E/pub/tg/5013-g/> (Line 316 page 51).

If you receive a transplant you will no longer be eligible for the credit, unless you qualify under a different type of disability (e.g. blindness). You may be able to claim the credit for the portion of that tax year that you were still on dialysis. For example, if you received a transplant on May 1, 2015 you may apply for the credit from January to April 2015.

**Important Note:** The *Disability Tax Credit Certificate (T2201)* must be completed by a qualified practitioner (Medical Doctor, Physiotherapist etc.). In Part B under *Life Sustaining Therapy*, we suggest 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 Disability Tax Credit Certificate* is available at: <http://www.cra-arc.gc.ca/E/pbg/tf/t2201/README.html>

## **Disability Supports Deduction**

If you have a physical or mental impairment, you may be able to deduct expenses incurred in order to work, go to school or do research for which you received a grant. Further details are available at: <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns206-236/215/menu-eng.html>

## **Family Caregiver Amount**

For 2015 and subsequent years, if you have a dependant (such a child, spouse or common-law partner) with an impairment in physical or mental functions, you may be eligible to claim an additional amount of **\$2,093** with a signed statement from a medical doctor showing when the

impairment began and what the duration of the impairment might be. Further details are available at: <http://www.cra-arc.gc.ca/familycaregiver/>.

## **Federal Excise Gasoline Tax Refund Program**

If you have a letter from a medical practitioner certifying that you suffer from a permanent mobility impairment that renders the use of public transportation hazardous, you may qualify to have a portion of the federal excise tax on gasoline refunded to you. More information and the application form are available at:

[http://www.servicecanada.gc.ca/eng/goc/gasoline\\_tax\\_refund.shtml](http://www.servicecanada.gc.ca/eng/goc/gasoline_tax_refund.shtml)

## **Working Income Tax Benefit (WITB)**

This is a refundable tax credit intended to provide tax relief for eligible working low-income individuals and families who are already in the workforce and to encourage other Canadians to enter the workforce. The WITB consists of a basic amount and a disability supplement. Further details are available at: <http://www.cra-arc.gc.ca/witb/>

## **Other Tax Credits and Deductions**

You may be able to claim other tax credits and deductions depending on your individual circumstances. We recommend consulting a tax professional to determine your eligibility.

## **Volunteer Tax Preparation Clinics**

Volunteers, trained by CRA, are available to help you complete your return. The program is designed to help low-income people with simple tax situations. For more information about the Community Volunteer Income Tax Program, to find out about how to become a volunteer or to find a participating community organization in your area, go to [www.cra.gc.ca/volunteer](http://www.cra.gc.ca/volunteer) or call the CRA at **1-800-959-8281**.

## **Information for People with Disabilities**

The booklet, *Medical and Disability-Related Information – 2015 (Guide RC 4064 (E) Rev.15)*, contains detailed information on the Disability Tax Credit and Medical Expenses Credit and other deductions for which you may be eligible. You can download this guide from the CRA website at [www.cra-arc.gc.ca/disability](http://www.cra-arc.gc.ca/disability), order a paper copy online, or in alternate formats at:

[www.cra-arc.gc.ca/formspubs/hlp/bt\\_mltp-eng.html](http://www.cra-arc.gc.ca/formspubs/hlp/bt_mltp-eng.html) or by calling 1-800-959-8281. This guide is also available for download from the CRA website in Braille and in e-text.

## **Registered Disability Savings Plan (RDSP)**

A registered disability savings plan (RDSP) is a savings plan to help parents and others save for the long-term financial security of a person who is eligible for the disability tax credit.

Further information about this plan is available at: [www.cra.gc.ca/rdsp](http://www.cra.gc.ca/rdsp)

**For more information filing your tax return, check the CRA website**

**[www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)**

**or call:**

**Individual Income tax enquiries: 1-800-959-8281**

**T.I.P.S (Tax Information Phone Service) at 1-800-267-6999 (automated)**

## Sample Letter: Trips to Hospital

Date:

To Whom It May Concern:

Mr./Mrs./Ms. Smith is a dialysis/transplant patient at the General Hospital of Every town.

This patient made \_\_\_\_\_(number of) trips to the hospital during the year.

Mr./Mrs./Ms. Smith travels \_\_\_\_\_kms., one way from home to the hospital.

Yours sincerely,

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

Director, Nephrology Program

or

\_\_\_\_\_

Administrator, Nephrology Program

## **Certification for 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 building:

Improvements to electrical system:

Improvements to plumbing system:

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Director of Dialysis

## 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 patients to be attached to a dialysis machine in order to cleanse the blood of toxins. This involves being in attendance at 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 being 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 this fluid is done manually 4 - 6 times per day, seven days per week
- Each exchange takes approximately 30 – 45 minutes

➤ **Automated or continuous cyclor (APD, CCPD)**

- Patient is connected to an automatic cyclor 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 being connected to the cyclor again for the night;
- The patient is attached to the machine every night for 8-10 hours;

- Some people are required to do additional manual CAPD 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 35-60 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 – twice per week)
- A certain percentage of these 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 requiring a large investment of time.

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

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