

Modernizing Canada's Approach to the Disability Tax Credit

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The Government of Canada has made tax reform a priority. As part of this work, changes are being proposed to improve the Disability Tax Credit (DTC) by Autism Alliance of Canada and our members. These recommendations are aligned with commitments to Economic Inclusion, which is a priority area of Canada's National Autism Strategy.

At Autism Alliance of Canada, we believe policy should be shaped by the people it affects. Through our members' input and collective leadership, we are calling for changes to the DTC that not only fix long-standing challenges for Autistic people, but also create a better system for everyone living with disabilities in Canada.

Streamlining Access for Those Who Need It Most: Modernizing Canada's Disability Tax Credit (DTC) Process

The Government of Canada is dedicated to ensuring that all citizens, particularly those within the disability community, have equal rights and opportunities for full participation and acceptance in Canadian society.

Building on this momentum, we are proposing critical reforms to the DTC assessment and administration process. These reforms tackle significant pain points, such as complex application requirements and unnecessary reassessments. By focusing on policy changes that recognize lifelong conditions and improve professional capacity, we would be setting a new standard for disability support in Canada.

3 Policy Innovations: Setting the Standard for Comprehensive Disability Support

We are proposing three major areas of reform, aligning with key recommendations from the Canada Revenue Agency's (CRA) Disability Advisory Committee Report, notably the [2024 report](#). While these proposals specifically address the needs of those in the autism community, the principles of reducing burden, improving access, and streamlining administration apply broadly to other lifelong disabilities and conditions.

1. Eliminating Redundant Reassessments for a Subset of Lifelong Conditions

The current DTC process requires reassessment even for Autism and Intellectual Disability, which are lifelong. This creates undue burden on Autistic people and families while also imposing costs on the provincial healthcare system substantial amounts through increased physician time.

Policy Solution

We propose eliminating reassessments for Disability Tax Status for individuals with a diagnosis of Autism and/or Intellectual Disability who qualified under the age of 16.

For individuals over 16, a physician may deem them qualified for life if they reasonably believe that the individual's functionality will not change.

This can be accomplished by adding two clauses to the Income Tax Act in s. 118.3(1). (Contact Autism Alliance of Canada for details).

Context

This [mirrors the language](#) currently used for Type 1 Diabetes and aligns with Recommendation 10 of the 2024 [CRA Disability Advisory Committee Report](#). By eliminating the need for constant re-diagnosing and paperwork, we uphold the dignity of individuals whose conditions are stable at a level of function and lifelong. Furthermore, reducing reassessments (which were over 138,000 in 2023) leads to significant savings for both the government and the taxpayer. This approach can serve as a benchmark for how Canada manages status for other permanent disabilities with stable functional trajectories.



2. Expanding the Roster of Qualified Professionals to Improve Access

Currently, a narrow list of professionals is permitted to fill out Part Two (Part B) of the 15-page DTC form, resulting in significant delays in certificate issuance. Filling out the form takes an estimated one hour per application, costing provincial healthcare systems approximately \$62.5 million annually just in physician billing time.

Policy Solution

We propose adding additional National Occupational Classification (NOC) code occupations to the prescribed list of professionals authorized to complete Part Two of the DTC assessment, strictly within their professional scope of practice.

- For example, expanding the qualified list to include Occupational Therapists (NOC 41301) adds approximately [20,000 qualified individuals](#).
- Expanding to include Social Workers (NOC 41300) adds approximately [52,000 qualified individuals](#)

Context

This expansion, which aligns with Recommendation 7 of the 2024 [CRA Disability Advisory Committee Report](#), immediately reduces bottlenecks and delays, enhancing access to benefits for all qualifying disabilities, including the 45% of DTC recipients who qualify under the “Mental Functions” category.



3. Streamlining Assessment Administration for Better Client Service

The current process for assessing [DTC applications](#) is administered by the CRA. The process could be further streamlined by moving it under the purview of Employment and Social Development Canada (ESDC), where much coordination and work for the disability sector sits.

Policy Solution	We propose moving the assessment administration function from the CRA to Employment and Social Development Canada (ESDC).
Context	This aligns the DTC assessment with other disability work undertaken by ESDC. Crucially, Service Canada, which has a vast network of offices and customer service-oriented mandate, would serve as the public-facing department. This shift, which aligns with Recommendation 12 of the 2024 CRA Disability Advisory Committee Report , ensures a streamlined interface with the public and optimizes service delivery, which is especially important given that 55% of 2022 DTC claimants had a T1 income under \$50,000 and rely on easy access to benefits.

In Closing: Practical solutions for DTC Reform

These policy proposals represent a coordinated effort to improve the lives of disabled Canadians, reduce administrative burdens, and ensure that government resources are utilized effectively. By strategically addressing the needs identified here from our members, we are recommending policy innovation that ensures accessible, dignified, and timely support for all qualifying disabilities in Canada.

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