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**At your side,
day and night**

Tax Guide for Quebec Home Care Services

Introduction

Our dedicated team strives to offer you the best quality of care every day, and to meet those needs, multiple fiscal programs are available. Welcome to our Tax Guide for clients receiving essential home care services in Quebec. This guide aims to assist clients and their families in understanding relevant tax considerations.

Please do not hesitate to reach our accounting team for any question you may have. We strongly suggest you to discuss with your accountant or financial advisor.

1. Medical Expenses

Seniors or people with disabilities could benefit from the Quebec tax credit for medical expenses (<https://www.revenuquebec.ca/en/citizens/tax-credits/medical-expenses/>). Ensure detailed records are kept of all medical expenses related to home care services. Eligible expenses may include nursing care, personal support services, attendant care, and other health-related services. Appointments with our network of physiotherapists, podiatrists and other practitioners could also be eligible.

Eligibility

- The remuneration was paid to a person who, at the time, was neither your spouse nor under 18 years of age
- The person who received the care:
 - has a severe and prolonged impairment in mental or physical functions, or
 - is dependent on others for his or her personal needs and care for a prolonged period of time due to an infirmity, as certified in writing by a practitioner

2. Disability Tax Credit (DTC)

Individuals facing prolonged impairment in physical or mental functions may qualify for the Disability Tax Credit (<https://www.canada.ca/en/revenue-agency/services/tax/individuals/segments/tax-credits-deductions-persons-disabilities/disability-tax-credit.html>). Consult with a qualified healthcare professional and complete the necessary forms.

3. Caregiver Tax Credit

Persons providing support to elderly family members may be eligible for the Caregiver Tax Credit (<https://www.revenuquebec.ca/en/citizens/tax-credits/tax-credit-for-caregivers/>). Ensure proper documentation of the care provided and the relationship to the care recipient.

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Eligibility

To claim a refundable tax credit for caregivers of \$1,299, **you must first meet all** the following basic conditions:

- You were resident in Québec on December 31 in the year covered by the claim.
- You did not receive any remuneration for the care you provided to the eligible care receiver.
- Your spouse is the only one claiming an amount with regard to you on line 367, 378 or 381 of his or her return.
- No one is claiming the tax credit for caregivers with regard to you.
- You (or your spouse, if applicable) were not exempt from tax for the year covered by the claim.

If you meet all these conditions, **then** consult the page detailing specific eligibility conditions that you must meet to claim the credit as:

- a caregiver for a person 18 or over with an impairment;
- a caregiver for a person 70 or over.

4. Home Accessibility Tax Credit (HATC)

If modifications are made to your residence to accommodate a disability, you may qualify for the HATC (<https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/federal-government-budgets/budget-2022-plan-grow-economy-make-life-more-affordable/home-accessibility-tax-credit.html>). This non-refundable credit allows individuals aged 70 and over to recover up to \$1,500 of the cost of home renovations or alterations. Keep receipts for expenses related to home accessibility improvements.

Eligibility

To claim an amount for eligible expenses for qualifying renovations to an eligible dwelling, **one** of the following must apply:

- You are a qualifying individual
- You are an eligible individual making a claim for a qualifying individual

For additional information on the criteria, please visit https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-31285-home-accessibility-expenses.html#qlfng_ndvdl.

Important Update

As of the 2022 taxation year, an increase in the annual expense limit of the HATC could double the tax credit to recover.

5. Home-Support Services for Seniors

Quebec residents aged 70 and older could be entitled to a refundable tax credit for expenses related to home-support services (<https://www.revenuquebec.ca/en/citizens/income-tax-return/completing-your-income-tax-return/how-to-complete-your-income-tax-return/line-by-line-help/451-to-480-refund-or-balance-due/line-458/>).

The annual limit will depend on the senior's living situation and eligible services include nursing services for at least three hours a day or personal care services for at least seven hours a day. Please contact our care managers to ensure those limits are met as up to 38% of eligible expenses could be credited off 2023 tax returns.

Eligible services

- Weekly laundry, such as bedding or clothing maintenance
- Bi-weekly housekeeping
- Daily meal service
- Daily nursing
- Daily personal care

Additionally, couples where both spouses are 70 or older could benefit from double the credit amount for meal and personal care services.

6. GST/HST Rebate for Home Care Services

Certain home care services may be eligible for the GST/HST rebate (<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/gi-166/application-gst-hst-home-care-services.html>). For instance, home care service to individuals concurrently receiving a publicly funded home care service could be exempt of sales taxes. Ensure records of payments made are kept.

7. Independent Living Tax Credit for Seniors

Quebec residents aged 70 and older may be entitled to a refundable tax credit for expenses incurred to continue living independently (<https://www.revenuquebec.ca/en/citizens/income-tax-return/completing-your-income-tax-return/how-to-complete-your-income-tax-return/line-by-line-help/451-to-480-refund-or-balance-due/line-462/point-24/>). Eligible seniors could recover 20% of the expenses for the purchase, lease and installation of equipment. Devices used for remote measuring of various physiological parameters, such as the ones used by the LifeCarePlus program, are also covered.

8. Quebec Prescription Drug Insurance Plan (RAMQ)

Stay informed about RAMQ coverage for prescription drugs, as it may impact your medical expense claims. (<https://www.ramq.gouv.qc.ca/en/>)

9. Age Amount

Individuals aged 65 or older with a net income less than \$92,480 may claim a federal tax credit. Individuals with a net income less than \$32,826 may claim the full amount of \$7,898. (<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-30100-amount.html>)

9. Senior Assistance Tax Credit

Individuals aged 70 or older can claim a maximum refundable tax credit of \$2,000, or of \$4,000 for an eligible couple. It is automatically paid to eligible individuals upon filing an income tax return (<https://www.revenuquebec.ca/documents/en/formulaires/tp/TP-1029.SA-V%282023-10%29.pdf>).

Conclusion

Understanding and utilizing available tax credits and deductions can help alleviate financial burdens associated with home care services. Keep detailed records, stay informed about eligibility criteria, and seek professional advice to optimize your tax situation.

Note:

Refundable tax credits can result in a refund even if the credit amount exceeds the tax liability.

Non-refundable tax credits can only offset a tax liability and cannot generate a refund beyond what is owed.

| Tax Credit | Website Link | Eligibility Criteria | Maximum Tax Credit* |
|--|--|---|---------------------|
| Quebec Tax Credit for Medical Expenses | Revenu Quebec - Medical Expenses | <ul style="list-style-type: none"> Remuneration paid to a person who is neither the spouse nor under 18 The person receiving care has a severe and prolonged impairment or is dependent on others for personal needs due to infirmity, as certified by a practitioner | \$1,356 |
| Disability Tax Credit (DTC) | Canada Revenue Agency - DTC | <ul style="list-style-type: none"> Individuals facing prolonged impairment in physical or mental functions | \$8,870 |
| Caregiver Tax Credit | Revenu Quebec - Caregiver Tax Credit | <ul style="list-style-type: none"> Resident in Quebec on December 31 Did not receive remuneration for care provided Spouse is the only one claiming an amount with regard to the caregiver Not exempt from tax Various conditions based on caregiver's relationship and care recipient's age | \$1,560 |
| Home Accessibility Tax Credit (HATC) | Canada Revenue Agency - HATC | <ul style="list-style-type: none"> Qualifying individual making eligible renovations to an eligible dwelling Criteria for eligible expenses and renovations apply | \$3,000 |
| Home-Support Services for Seniors | Revenu Quebec - Line 458 | <ul style="list-style-type: none"> Quebec residents aged 70 and older Eligible services include nursing services or personal care services for specific hours per day Couples where both spouses are 70 or older could benefit from double the credit amount for meal and personal care services | \$18,360 |

| Tax Credit | Website Link | Eligibility Criteria | Maximum Tax Credit* |
|--|--|--|----------------------------|
| GST/HST Rebate for Home Care Services | Canada Revenue Agency - GST/HST Rebate | <ul style="list-style-type: none"> Certain home care services may be eligible, e.g., those receiving publicly funded home care services | \$650 |
| Independent Living Tax Credit | Revenu Quebec - Line 462 | <ul style="list-style-type: none"> Quebec residents aged 70 and older - Refundable tax credit for expenses incurred to continue living independently - 20% recovery of expenses for the purchase, lease, and installation of equipment, including devices used for remote measuring of physiological parameters | 20% of expenses over \$250 |
| Quebec Prescription Drug Insurance Plan (RAMQ) | RAMQ | <ul style="list-style-type: none"> Stay informed about RAMQ coverage for prescription drugs, as it may impact medical expense claims | |

* Note: tax credit amount might vary for a single individual or a couple and the level of autonomy. We strongly suggest you to discuss with your accountant or financial advisor.