



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER  
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

# Cost Estimate of Election Campaign Proposal

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Short Title: Broadening the Medical Expense Tax Credit for Attendant Care

Description: Allowing tax filers to claim all expenses associated with necessary attendant care as medical expenses for the purposes of the Medical Expense Tax Credit. This will extend eligibility to part-time attendant care provided in a private residence to persons who are not already eligible by reason of a disability tax credit certificate.

Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Total cost		5	5	5	5	6	26

Notes:

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).
- "-" = PBO does not expect a financial cost.

Estimation and projection method: The General Social Survey was used to estimate current spending on part-time attendant care. Spending was projected based on trends in wages and population aging. This spending was adjusted for the medical expense tax credit deduction and tax credit rate to estimate the resulting reduction in tax revenue.

Source of Uncertainty: The main sources of uncertainty relate to current and projected spending, as well as medical expenses below the deduction threshold.

Data Sources:	Variable	Source
	Base spending	2012 General Social Survey: Caregiving and Care Receiving
	Spending growth due to population aging and wage growth	PBO Cost Estimate for Motion 77: Improvements to Long-Term Care
	Average income of elderly (80+) and share of elderly tax filers with METC claim	Canada Revenue Agency T1 Final Statistics