

Guideline: Tax Deductibility of RMT expenses

The question arises every year around tax time as to whether the expenses of a Registered Massage Therapist are an allowable tax expense when filing your annual income tax. Having consulted with a variety of tax planners and financial advisors, the OMTA is providing the following Guideline on Tax Deductibility of RMT Expenses.

Introduction

The Income Tax Act allows for the deduction of fees paid to a “medical practitioner”. The Act also defines the term medical practitioner and does not specifically include massage therapists but does allow for expenses paid to a “therapist”. This means that the Act is not clear and it is possible that an expense for a massage therapist can be denied by Canada Revenue Agency.

RMT Expenses Could be an Allowable Expense

When Canada Revenue Agency considers whether an expense is an allowable medical expense, they will consider whether any provincial legislation exists to qualify an individual providing the treatments as a medical practitioner. This means that in provinces where massage therapists are regulated, it is highly likely that expenses paid in those jurisdictions will be considered an allowable medical expense.

Experience

The experience of many tax and financial planners bears out that Canada Revenue Agency will make different interpretations based on the province of residence of the individual filing their tax return. Medical expenses for RMTs have typically (but not necessarily always) been allowed in Ontario as the practice of massage therapy is regulated. By comparison, expenses for acupuncture in Ontario have not been allowed as the profession is not currently regulated (although regulation is currently being developed). The reverse is true in Quebec, for example, where it has been reported that acupuncture has been allowed but not massage therapy because acupuncture is regulated in that province and massage therapy is not.

Recommendation

The OMTA recommends that Ontarians continue to use the expenses of a Registered Massage Therapist as a medical expense on their personal income tax return. However, the final arbiter in these cases will be Canada Revenue Agency.

Disclaimer

This Guideline has been developed on information provided by and experience of and discussions with several individuals who’s credentials include Certified General Accountants, Certified Financial Planners and tax lawyers. It is a Guideline only and should be considered in that context and in conjunction with appropriate tax and legal advice.

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