

## FILM INCENTIVE BC SUMMARY

Film Incentive BC (FIBC) is an economic initiative designed to encourage film, television, digital animation and visual effects production in British Columbia. Eligible applicants are film, television and animation production corporations with a permanent establishment in BC that are owned and controlled by Canadians and have incurred qualifying BC labour expenses.

### How FIBC Works

FIBC is a refundable corporate income tax credit. When filing tax returns, production corporations may claim a specified percentage of the labour costs incurred in making film, television, digital animation or visual effects productions. The credits are applied to reduce tax payable, and any remaining balance is paid to the corporation.

The production corporation must apply to Creative BC to receive an eligibility certificate and a completion certificate for the production. While these are generally applied for separately, the production corporation can apply for both eligibility and completion certificates together after the production is complete if it is within the required time frames. To claim the FIBC tax credits, the production corporation must file a corporate income tax return, along with the certificates, to the [Canada Revenue Agency](#). Note the CRA filing deadlines [here](#).

**We strongly recommend that you submit your application for an eligibility certificate to Creative BC as soon as possible in the pre-production or production stage and no later than 12 months from the corporation's taxation year in which principal photography began to provide for sufficient processing time.** We are unable to guarantee that applications filed later will be processed in time for the production corporation to file with the CRA before the deadline, which may result in denied claims.

### General Eligibility Rules

Production corporations and their productions must meet the following minimum conditions to qualify for FIBC (*Note: there are different requirements for [treaty co-productions](#) and [interprovincial co-productions](#)*):

- The production corporation claiming the tax credit must be a BC-based Canadian-controlled taxable Canadian corporation;
- The "producer" of the production, i.e. the person(s) with creative and financial control of the production, must be a BC-based individual who is a Canadian;
- Non-BC individuals cannot receive a "producer" or "co-producer" credit;
- The production must be Canadian content (i.e. meet the minimum key creative point requirements);
- More than 50% of the copyright in the production must be owned by the production corporation;
- The production corporation (or a related eligible corporation - a BC-based Canadian-controlled related corporation) must control the initial licensing of the commercial exploitation of the production;
- At least 75% of:
  - the principal photography days (or key animation days for animated productions) of the production must be done in British Columbia (n/a for documentaries);
  - the total production costs must be paid to BC-based individuals or corporations for work done in BC (for documentaries, at least 75% of total production costs must be paid to BC-based individuals or corporations);
  - the cost of post-production work (excluding stock footage rights) for the production must be carried out in British Columbia;
- The production must be completed within 24 months of the end of the taxation year in which principal photography (or, for animated productions, key animation) began;
- The production corporation must apply for and receive a completion certificate within 30 months from the end of the taxation year in which principal photography (or, for animated productions, key animation) began;

- There must be a written agreement with a Canadian-controlled distributor or broadcaster to have the production shown in Canada within 24 months of completion;
- There can be no distribution in Canada by a non-Canadian distributor or broadcaster within 24 months of completion;
- Some genres are excluded from FIBC including, but not limited to, pornography, talk shows, news, live sports events, game shows, reality television, and advertising.

## Calculating the Tax Credit Amount

The program includes six initiatives: Basic, Regional, Distant Location Regional, Training, Digital Animation, Visual Effects and Post-Production (DAVE) and Scriptwriting. The tax credit amounts are calculated on the qualified BC labour expenditure (QBCLE) of the corporation. The table below sets out the tax credit rates for productions with a principal photography (or, for animated productions, key animation) start date on or after October 1, 2016:

TAX CREDIT	VALUE	TAX CREDIT AMOUNT CALCULATED ON ...
Basic	35%	QBCLE to maximum of 60% of the total cost of production (excluding assistance).
Regional*	12.5%	For <b>live action</b> productions, QBCLE prorated by the number of principal photography days in British Columbia outside of the designated Vancouver area to the total days of principal photography in BC. Note that to be eligible for the Regional TC, the production must have at least 5 PP days outside the DVA and over 50% of the BC PP days must be outside the DVA. For a television series, this double threshold applies for a minimum of 3 episodes as a group (the “qualifying episodes”) and the Regional TC is further pro-rated by the number of qualifying episodes to the total number of episodes. For <b>animated</b> productions, the Regional TC is based on BC labour expenditure in respect of services rendered in BC outside the DVA.
Distant Location Regional*	6%	For <b>live action</b> productions, QBCLE prorated by the number of days of principal photography in British Columbia within a prescribed area to the total days of principal photography in BC. To be eligible for the Distant Location TC, the production must be eligible for the Regional TC and have at least 1 PP day in a distant location. For a television series, this requirement applies to the qualifying episodes and the Distant Location TC is further pro-rated by the number of qualifying episodes to the total number of episodes. For <b>animated</b> productions, the Distant Location TC is based on BC labour expenditure in respect of services rendered in BC in a distant location.
Training*	30%	The amount paid to a BC-based individual registered in an approved training program. This tax credit is capped at 3% of the corporation’s QBCLE.
DAVE*	16%	QBCLE directly attributable to digital animation, visual effects and post production activities.
Scriptwriting*	35%	The labour expenditure paid to a BC-based scriptwriter(s) that are directly attributable to the development of script material of a production that are incurred after February 20, 2018 or 2 years before the principal photography or key animation start date (whichever is later) and before the end of the final script stage of the production.

\* the production and production corporation must be eligible for the Basic tax credit before being able to access any of the other bonuses.

## Resources and Forms (available at [creativebc.com](https://creativebc.com))

- [Application Check List – Eligibility](#)
- [Schedule A – Declaration of BC Residency](#)
- [Template – Schedule of BC/Non-BC Costs](#)
- [Online Application](#)
- [Canadian Audio-Visual Certification Office \(CAVCO\)](#) – for federal tax credit information
- [Application Check List – Completion](#)
- [Schedule B – Certificate of an Officer](#)
- [Regional + Distant Location Map](#)
- [FIBC Tax Credit Calculator](#)
- [Scriptwriting Tax Credit](#)

Note: This document is intended as a general overview. It is not exhaustive and should not be relied upon to determine eligibility or the final amount of an anticipated tax credit. In case of any discrepancies between this document and the Income Tax Act (BC) and Regulations (the “Act”), the provisions of the Act prevail.