

FILM INCENTIVE BC AND TREATY CO-PRODUCTIONS

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 that have incurred qualifying labour expenses in BC. Production corporations that enter into a treaty co-production agreement may be eligible to access FIBC, administered through CREATIVE BC, provided that they meet the requirements of FIBC legislation and the regulations. A treaty co-production is a film or video production that is jointly produced in Canada and another country in accordance with the treaty co-production agreement between Canada and another country.

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.

GENERAL ELIGIBILITY RULES

- Production corporations and their productions must meet the following minimum conditions to qualify for FIBC:
- The production corporation claiming the tax credit must be a BC-based Canadian-controlled corporation;
- The “producer” of the British Columbia portion of the production must be a BC-based individual who is a Canadian;
- To be an official treaty co-production, the production must receive a “Preliminary Recommendation” and a “Final Recommendation” from Telefilm Canada;
- At least 20% of the cost of producing the Canadian portion of the production must be attributable to the eligible production corporation;
- At least 75% of the cost of producing the British Columbia portion of the production must be paid to BC-based individuals or corporations;
- The production must be completed within 24 months of the end of the taxation year in which principal photography began;
- Some genres are excluded from FIBC including, but not limited to, pornography, talk shows, news, live sports events, game shows, reality television, and advertising.

TAX CREDIT	VALUE	TAX CREDIT AMOUNT CALCULATED ON...
Basic	35%	The qualified BC labour expenditure of the corporation to a maximum of 60% of the total cost of production.
Regional	12.5%	The qualified BC labour expenditure of the corporation pro-rated 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. This tax credit must be accessed in conjunction with the Basic tax credit.
Distant Location Regional	6%	The qualified BC labour expenditure of the corporation pro-rated by the number of days of principal photography in British Columbia within a prescribed area to the total days of principal photography in BC. This tax credit must be accessed in conjunction with the Regional tax credit.
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 qualified BC labour expenditure and must be accessed in conjunction with the Basic tax credit.
Digital Animation, Visual Effects and Post Production	17.5%*/16%**	The BC labour expenditures directly attributable to digital animation, visual effects and post production activities. This tax credit must be accessed in conjunction with the Basic tax credit.

FOR MORE INFORMATION

*For productions with a principal photography start date up to September 30, 2016

** For productions with a principal photography start date after September 30, 2016

For copies of the tax credit guidelines, legislation, regulations and application forms go to www.creativebc.com