

PRODUCTION SERVICES TAX CREDIT

The Production Services Tax Credit (PSTC) 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 British Columbia. The PSTC is not subject to any Canadian content requirements and it is available to either international or Canadian productions produced in British Columbia.

How the PSTC Works

The PSTC 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.

There is no limit on the PSTC that may be claimed on a particular production and there is no limit that a corporation or group of corporations can claim.

The production corporation must register with Creative BC for Pre-certification by submitting a form through Creative BC's website within 60 days after the date the corporation first incurs an accredited BC labour expenditure on the production. Once the Pre-certification number is issued, the production corporation may apply to Creative BC to receive an accreditation certificate for the production. To claim the PSTC, the production corporation must file a corporate income tax return, along with the certificate, to the Canada Revenue Agency.

General Eligibility Rules

Production corporations and their productions must meet the following minimum conditions to qualify for the PSTC:

- Minimum budget levels:
 - Greater than \$100,000 per episode - For episodic television, episodes that are less than ½ hour;
 - Greater than \$0 per episode - For episodic television, where episodes are all or substantially all digitally animated and are less than ½ hour;
 - Greater than \$200,000 per episode - For episodic television, episodes that are a ½ hour or longer;
 - Greater than \$1,000,000 – In all other cases;
- The corporation claiming the tax credit must own the copyright in the production or be contracted directly with the copyright owner of the production to provide production services;
- The corporation claiming the tax credit must have a permanent establishment in BC;
- Some genres are excluded from the PSTC 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 four initiatives: Basic, Regional, Distant Location and Digital Animation, Visual Effects and Post-Production (DAVE). The tax credit amounts are calculated on the accredited qualified BC labour expenditure (AQBCLE) of the corporation.

TAX CREDIT (PSTC)	VALUE	TAX CREDIT AMOUNT CALCULATED ON ...
Basic	28%	AQBCLE.
Regional*	6%	AQBCLE prorated by the number of days of principal photography in British Columbia outside of the designated Vancouver area to the total days of principal photography in BC.
Distant Location*	6%	AQBCLE prorated by the number of days of principal photography days 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 PSTC.
DAVE*	16%	AQBCLE directly attributable to digital animation, visual effects and post production activities.

* must be accessed in conjunction with the Basic tax credit.

Resources and Forms (available at creativebc.com)

- [Pre-certification Registration Form](#)
- [Application Check List](#)
- [Official Designee Affidavit](#)
- [Regional + Distant Location Map](#)
- [Online Application](#)
- [PSTC Tax Credit Calculator](#)
- [Canadian Audio-Visual Certification Office \(CAVCO\)](#) – for federal tax credit information

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.