

INCENTIVES

TAX CREDITS AVAILABLE TO DOMESTIC FILM AND TELEVISION PRODUCTIONS

Domestic productions in British Columbia can access a variety of provincial and federal tax credit programs and if eligibility requirements are met, a producer can combine them to access exceptional savings.

BRITISH COLUMBIA TAX CREDITS

1. Film Incentive BC (FIBC) is for domestic productions that are Canadian owned and controlled and have qualifying levels of Canadian content.
2. The Production Services Tax Credit (PSTC) is open to both domestic and foreign producers, and has no Canadian content requirements.

For detailed information on the PSTC program, refer to the info sheet about Tax Credits Available to Foreign Film and Television Productions.

A production corporation may only access either the FIBC or the PSTC program, but not both with respect to a production.

FILM INCENTIVE BC (FIBC)

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 BC-based Canadian controlled film, television and animation production corporations that have incurred qualifying labour expenses while producing an eligible production.

<u>TAX CREDIT</u>	<u>VALUE</u>	<u>TAX CREDIT CALCULATION BASED ON</u>
Basic	35%	The qualified BC labour expenditure of the corporation.
Regional	12.5%	The qualified BC labour expenditure of the corporation pro-rated by the number of days of principal photography in BC 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 distant location regional tax credit is added to the regional tax credit for principal photography done outside of the Lower Mainland region, north of Whistler and east of Hope. It is pro-rated by the number of distant location principal photography days to the total BC principal photography days and must be accessed in conjunction with the Regional and Basic tax credit.
Training	30%	The amount paid to a BC-based individual registered in an approved training program. The 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 or Visual Effects	17.5%* 16%**	The BC labour expenditures directly attributable to digital animation or visual effects activities. This tax credit must be accessed in conjunction with the Basic tax credit.
CDN Federal Production Tax Credit (CPTC)***	25%	Qualified Canadian labour expenditures of the corporation.

*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

***THE CANADIAN FEDERAL CPTC IS IN ADDITION TO THE PROVINCIAL TAX CREDITS.

HOW THE 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.

In order 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.

International treaty or inter-provincial co-productions may be eligible. Before applying, please visit Creative BC's website at: www.creativebc.com and review the Regulations & Legislation, and overview sheet.

GENERAL ELIGIBILITY RULES

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

1. The production corporation claiming the tax credit must be a BC-based Canadian controlled corporation.
2. The "producer" of the production must be a BC based individual who is a Canadian.
3. The production must be Canadian content.
4. The production corporation must own more than 50% of the copyright in the production.
5. At least 75% of the principal photography days of the production must be done in British Columbia.
6. At least 75% of the cost of the production must be paid to BC-based individuals or corporations.
7. At least 75% of the cost of post-production work for the production must be carried out in British Columbia.
8. The production must be completed within 24 months of the end of the taxation year in which principal photography began.

9. There are exceptions for treaty co-productions, interprovincial co-productions and documentary productions.
10. Some genres are excluded from FIBC including, but not limited to, pornography, talk shows, news, live sports events, game shows, reality television, and advertising.

FOR MORE INFORMATION

Copies of the tax credit guidelines, legislation, regulations and application forms may be obtained from Creative BC's website: www.creativebc.com

For more information on British Columbia's Tax Credit process, eligibility and timelines, contact:

Creative BC
Robert Wong, Vice President
Tel: 604 736 7997
Fax: 604 736 7290
Email: bwong@creativebc.com
Website: www.creativebc.com

CANADIAN FEDERAL TAX CREDIT

The Canadian Federal Film or Video Production Tax Credit (CPTC) is for Canadian-owned and controlled productions. Eligible production corporations may claim 25% of qualified labour expenditures. This refundable tax credit has no cap on the amount which can be claimed, and is available to taxable Canadian corporations with permanent establishments in Canada.

The Canadian Audio-Visual Certification Office (CAVCO) is responsible for issuing certificates on behalf of the Minister of Canadian Heritage. For more information on the Canadian Federal Government's Tax Credit process, eligibility and timelines contact:

Canadian Audio-Visual Certification Office
Department of Canadian Heritage
Telephone 1 819 934 9830
Telephone (Toll free): 1 888 433 2200
Fax: 819 934 9828
Email: bcpac-cavco@pch.gc.ca
Website: www.pch.gc.ca/cavco