

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.

Productions that incur their first BC labour expenditure on or after July 1, 2020, must submit a [pre-certification form](#) through Creative BC's website within 60 or 120* days after the date the corporation first incurs their first accredited BC labour expenditure on the production. If a production corporation submits their pre-certification form after the 60-day period, BC labour expenditures incurred prior to submitting the form will not be eligible for the PSTC. See more information on our [PSTC Pre-Certification FAQs](#).

* Productions that incurred their first accredited BC labour expenditure before February 22, 2022, but after June 30, 2020 have 60 days to file a pre-certification form (per Budget 2020). Productions that incurred their first accredited BC labour expenditure on or after February 22, 2022, have 120 days to file a pre-certification form (per Budget 2022).

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](#). Note the CRA filing deadlines [here](#).

We strongly recommend that you submit your application for an accreditation certificate to Creative BC within 12 months of the corporation's taxation year end 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 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 that is directly attributable to the production and incurred in British Columbia. 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 (PSTC)	VALUE	TAX CREDIT AMOUNT CALCULATED ON ...
Basic	28%	AQBCLE.
Regional*	6%	For live action productions, 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. 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 series, the Regional TC is assessed on a per episode basis. For animated productions, the Regional TC is based on BC labour expenditure in respect of services rendered in BC outside the DVA.
Distant Location*	6%	For live action productions, 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. 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 series, the Distant Location TC is assessed on a per episode basis. For animated productions, the Distant Location TC is based on BC labour expenditure in respect of services rendered in BC in a distant location.
DAVE*	16%	AQBCLE directly attributable to digital animation, visual effects and post production activities.

* 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)

- [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