

FAQ - PSTC Pre-certification Process

1. What is tax credit pre-certification?

Pre-certification is the first step in the Production Services Tax Credit (PSTC) application process. To qualify for maximum tax credits available, applicants planning to do qualifying motion picture work in BC must complete a simple pre-certification [registration form](#) for each planned production. This submission generates a pre-certification number from Creative BC for the project. Pre-certification is required for the PSTC application under the *BC Income Tax Act* for productions that first incur an accredited BC labour expenditure on or after July 1, 2020. For productions that first incur an accredited BC labour expenditure prior to July 1, 2020, pre-certification is not a legislative requirement, but a pre-certification number is still required as part of the full PSTC application.

2. Why has pre-certification been introduced?

The information collected through the pre-certification process allows the Province of B.C. to estimate the cost of the PSTC tax credits for a given period. It is also used in aggregate by Creative BC for development of competitive insights, volume forecasting, and service preparation. Creative BC's tax credit administration and provincial film commission teams, together with industry and government stakeholders, will leverage the data as another tool to understand, enhance, and sustain our jurisdiction's value delivery to productions doing business in BC. The sooner Creative BC obtains information, the more knowledgeable and proactive our services and supports can be.

3. Does my current production need pre-certification? How do I do this?

Yes, a production company intending to apply for PSTC accreditation must first submit a pre-certification registration form for the production. Deadlines apply (see questions below for details about the deadlines). Here are the technical steps:

(1) Pre-certification registration is sent to Creative BC via the online form [here](#).

(2) A confirmation email will be sent that contains the pre-certification number which is required for the PSTC accreditation application, as well as next steps and information for the PSTC application that is to be submitted through the online [portal](#).

4. What happens if I don't submit pre-certification or if I submit it late?

If a pre-certification form is not submitted within the specified time period, you may be unable to claim labour expenditures incurred prior to the submission date of the pre-certification form. This may reduce the production services tax credit available to you. See Questions 5 & 6.

5. What are the pre-certification requirements and deadline if my production started work in BC between July 1, 2020 and February 21, 2022?

Under the current legislation, a production corporation incurring their first accredited BC labour expenditure on or after July 1, 2020, and prior to February 22, 2022 must have submitted a pre-certification form **within 60 days of** incurring the first accredited BC labour expenditure.

However, legislative measures will be brought forward as part of Budget 2023 for production companies that incurred their first accredited BC labour expenditure between July 1, 2020 and February 21, 2022. The measures will allow these companies to claim labour expenditures incurred up to **120 days prior to the pre-certification submission date**, regardless of how many days after the first incurred labour expenditure the pre-certification form was filed.

In advance of the province introducing this legislative measure, the Canada Revenue Agency (CRA) will administer the production services tax credit using these new rules.

For example: If a company's first accredited BC labour expenditure was incurred on April 1, 2021, the 60-day deadline for the pre-certification form is May 31, 2021.

If the company submits their pre-certification form on June 30, 2021, under the proposed Budget 2023 legislative measures, the company may claim all its accredited BC labour expenditures from April 1, 2021 because the pre-certification form is submitted within 120 days after its first accredited BC labour expenditure.

If the company submits their pre-certification form on August 31, 2021, the company submitted their pre-certification form more than 120 days after its first accredited BC labour expenditure. The company will count 120 days back from the date they submitted their pre-certification form on August 31, 2021, to May 3, 2021. Under the proposed Budget 2023 legislative measures, the company will be able to claim the BC labour expenditures incurred from May 3, 2021, but they will not be able to claim any BC labour expenditures incurred from April 1, 2021 to May 2, 2021. Therefore, the company will not be able to claim the first 32 days of BC labour expenses incurred, which may reduce the PSTC available to them.

6. What are the pre-certification requirements and deadline if my production started work in BC on or after February 22, 2022?

Productions that incur their first accredited BC labour expenditure on or after February 22, 2022, must submit a pre-certification form within 120 days after incurring the first accredited BC labour expenditure. If a pre-certification form is not submitted within 120 days, production companies are unable to claim any labour expenditures incurred prior to the submission date of the pre-certification form. This may reduce the production services tax credit available to you.

For example: If a company's BC labour costs were first incurred on a production on March 1, 2022, the pre-certification form must be submitted to Creative BC by June 29, 2022. If the company submits their pre-certification form on September 1, 2022, the company can only claim the accredited BC labour expenditure incurred from September 1, 2022 onwards in their PSTC claim. The labour incurred from March 1, 2022, to August 31, 2022 cannot be included in the PSTC claim because the 120-day requirement was missed.

7. What about productions that incurred their first accredited BC labour expenditure before July 1, 2020?

If the first accredited BC labour expenditure is incurred prior to July 1, 2020, the production company will still need to complete a pre-certification form to apply for the PSTC, but all accredited BC labour expenditures can be claimed as there is no legislated deadline to submit a pre-certification form.

For example: For a production that first incurred an accredited BC labour expenditure on June 15, 2020, the company will need to complete a pre-certification form prior to applying for PSTC accreditation; however, all accredited BC labour expenditure costs can be claimed.

8. Can I send my pre-certification registration form prior to incurring the first BC labour expense?

You have 120 days to submit your pre-certification registration form after incurring the first BC labour expense. You must provide the date the 1st BC labour expense is incurred on the pre-certification form therefore you may submit your pre-certification registration form once that date is solidified.

9. Can I choose to exclude particular “incurred BC labour expenses” from my application, i.e., leave earlier expenses unclaimed, to keep within the notice deadline?

No. The date of your production’s first accredited BC labour expenditure is factual, and is not open for interpretation or manipulation. Productions cannot change the date of their first accredited BC labour expenditure even if it is not claimed. A certificate can be revoked if a company knowingly or under circumstances of gross negligence makes a false statement or omission in their pre-certification notice. **In this case, a company has knowingly provided incorrect information as part of their pre-certification notice and, therefore, the company could have their certificate revoked, thereby foregoing their entire PSTC claim.**

10. Is there an administration fee attached to pre-certification?

There is no fee required for pre-certification registration.

11. How long does pre-certification take? I haven’t received an email with the pre-certification number.

Please check your spam folders. Sometimes the emails are auto filtered. Please contact Creative BC’s tax team by sending an email to taxteam@creativebc.com if it has been more than 2 business days since sending in your pre-certification registration.

12. What if the pre-certification estimated figures and/or production schedule change?

All final figures and production schedule dates should be supplied upon PSTC application submission. Unless there are significant changes to the dollar figures or to the production schedule dates before PSTC application submission, there is no need to inform Creative BC.

13. What if we don’t end up applying for the PSTC after all?

Please contact Creative BC to advise our team that you no longer intend on applying for the Production Services Tax Credit, and we will withdraw your pre-certification.