

# A World of Looks™ 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

Production Services Tax Credit (PSTC), is open to both domestic and foreign producers, and has no Canadian content requirements:

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

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

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

### Film Incentive BC (FIBC)

The **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 Canadian owned film, television and animation production corporations that have incurred qualifying labour expenses in British Columbia while producing an eligible production.

<u>TAX CREDIT</u>	<u>VALUE</u>	<u>TAX CREDIT CALCULATION BASED ON</u>
Basic FIBC	35%	The qualified BC labour expenditure of the corporation.
Regional FIBC	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, excluding the Capital Regional District. 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%	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.

\* THESE RATES ARE EFFECTIVE FOR PRODUCTIONS THAT BEGIN PRINCIPAL PHOTOGRAPHY AFTER FEBRUARY 28, 2010.

\*\*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 **British Columbia Film** 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 BC Film's website at: [www.bcfilm.bc.ca](http://www.bcfilm.bc.ca) 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 Canadian owned and controlled.
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, inter-provincial 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 British Columbia Film's website [www.bcfilm.bc.ca](http://www.bcfilm.bc.ca).

For more information on the Provincial Government's Tax Credit process, eligibility and timelines, contact:

### British Columbia Film

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## Canadian Federal Tax Credits

Canadian Federal Film or Video Production Tax Credit is for Canadian-owned and controlled production and is 25% of specified labour costs. These refundable tax credits have no cap on the amount which can be claimed and are available to taxable Canadian corporations with permanent establishments in Canada.

The Canadian Audio-Visual Certification Office (CAVCO) is the entity 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 (CAVCO)  
Department of Canadian Heritage  
Telephone: 1 888 433 2200  
Fax: 819 934 9828  
Website: [www.canadianheritage.gc.ca/cavco](http://www.canadianheritage.gc.ca/cavco)

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 legislation and regulations, the regulations and legislation shall prevail.