

## BC 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 apply to CREATIVE BC to receive an accreditation certificate for the production. In order 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.

TAX CREDIT	VALUE	TAX CREDIT AMOUNT CALCULATED ON...
Basic PSTC	33%* / 28%**	The accredited qualified BC labour expenditure of the corporation.
Regional PSTC	6%	The accredited qualified BC labour expenditure of the corporation pro-rated 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. This tax credit must be accessed in conjunction with the Basic PSTC.
Distant Location Regional PSTC	6%	The accredited qualified BC labour expenditure of the corporation pro-rated 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.
Digital Animation, VFX and Post Production PSTC	17.5%*/16%**	The accredited qualified BC labour expenditures directly attributable to digital animation, visual effects and post production activities. This tax credit must be accessed in conjunction with the Basic PSTC.

\*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

For copies of the tax credit guidelines, legislation, regulations and application forms go to [www.creativebc.com](http://www.creativebc.com)