

# The Big Table

## Film and Video Incentives in Canada (2009)

### Part 1 of 2

FEDERAL	Amount	Requirements	Fees and contacts
	<b>Canadian Film or Video Production Tax Credit</b> 25% of qualified labour (maximum: 15% of total production costs).	<b>Entity:</b> Canadian-controlled taxable corporations whose primary business is production of Canadian films and/or videos through a permanent establishment in Canada. <b>Content/Copyright:</b> Minimum Canadian content requirement. Must own copyright for at least 25 years. Must be broadcast or distributed in Canada within two years of completion. <b>Other:</b> 75% of production services costs must be paid to, or on behalf of, Canadian individuals or companies, and at least 75% of post-production costs must be incurred in Canada.	0.15% of eligible production cost for a Part A application, 0.15% of eligible production cost for a Part B application, or 0.30% of the eligible cost of production for a combined application (minimum fee \$200). Payable to Receiver General for Canada. www.pch.gc.ca/cavco 888 433 2200
	<b>Canadian Film or Video Production Services Tax Credit</b> 16% of qualified Canadian labour (no maximum).	<b>Entity:</b> Taxable corporations with a permanent establishment in Canada whose primary business is production of, or production services for, films and/or videos in Canada. <b>Content/Copyright:</b> No Canadian content restrictions. Must have contracted directly with the copyright holder for production services if copyright owner does not qualify for credit. <b>Other:</b> Production must meet a cost minimum.	\$5,000, with rebate available if aggregate credit related to a production is under \$25,000. Minimum fee after rebate is \$1,000. Payable to Receiver General for Canada. www.pch.gc.ca/cavco 888 433 2200
<b>PROVINCIAL/TERRITORIAL</b>			
	<b>Alberta Film Development Program</b> 20% to 29% (before April 1, 2009, 14% to 23%) of Alberta production costs, depending on Alberta ownership and Albertan key creative positions (maximum: \$5 million [before April 1, 2009, \$3 million] per project or annually per series). <i>This is a non-recoupable grant.</i>	<b>Entity:</b> Taxable corporations incorporated in or registered to do business in Alberta whose primary business is production of films and videos. Distributors and broadcasters are not eligible. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Project must be supported by a broadcast licence of fair market value or a distribution agreement. Grant application must be made before commencement of principal photography.	No fee for application or receipt of this grant. www.albertafilmm.ca 780 422 8584
	<b>Film Incentive BC Tax Credit</b> 35% of qualified BC labour (maximum: 16.8% of total production costs). + Regional credit: 12.5% of qualified BC labour if more than 50% of the BC principal photography is outside the Vancouver area (maximum: 6% of total production cost). + Distant location credit: 6% of portion of qualified BC labour for production in a prescribed area. + Training credit: 3% of qualified BC labour (maximum: 30% of trainees' salaries). + BC Digital Animation or Visual Effects Tax Credit (see Part 2).	<b>Entity:</b> Canadian-controlled taxable Canadian corporations with a permanent establishment in BC in business of production of Canadian films and videos. <b>Content/Copyright:</b> Minimum Canadian content requirement. Must own more than 50% of the copyright for at least 25 years. Must be broadcast in Canada within two years of completion. For an inter-provincial co-production, entitlement is based on the percentage of copyright and must own more than 20% of the copyright. Equity ownership by anyone other than prescribed persons will disqualify all copyright owners entitlement to credits. <b>Other:</b> 75% provincial cost restrictions.	Greater of 0.06% of production costs and \$200, plus \$200 for a preliminary eligibility certificate, which must be issued before an application for the completion credit. Payable to British Columbia Film. www.bcfilm.bc.ca 604 736 7997
	<b>British Columbia Production Services Tax Credit</b> 25% of qualified BC labour expenditure (no maximum). + Regional credit: 6% of qualified BC labour if more than 50% of the BC principal photography is outside the Vancouver area. + Distant location credit: 6% of qualified BC labour for production in a prescribed area. + BC Digital Animation or Visual Effects Tax Credit (see Part 2).	<b>Entity:</b> Taxable corporations with a permanent establishment in BC, whose primary business is production of films and video. <b>Content/Copyright:</b> No content restrictions. Must own copyright while production occurs in BC, or must have contracted directly with copyright holder for provision of production services. <b>Other:</b> Production must meet a cost minimum.	\$5,500, with rebate available if aggregate credit related to a production is \$25,000 or less. Minimum fee after rebate is \$1,500. Payable to British Columbia Film. www.bcfilm.bc.ca 604 736 7997
	<b>Manitoba Film and Video Production Tax Credit</b> 45% of eligible Manitoba labour (no maximum). + Regional credit: 5% of eligible Manitoba labour if at least 50% of principal photography shot outside Winnipeg. + Frequent filming bonus: 10% of eligible Manitoba labour on third film produced within 2 years (or first film, if co-produced with a Manitoba company that claimed the bonus). + Producer bonus: 5% of eligible Manitoba labour if a Manitoba resident is credited as a producer, co-producer or executive producer.	<b>Entity:</b> Canadian taxable corporations with a permanent establishment in Manitoba whose primary business is production of films or videos. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Minimum of 25% of salaries and wages must be paid to Manitoba residents for work performed in Manitoba (for documentaries, 25% rule applies, but work does not need to be done in Manitoba).	No fee for application or receipt of this credit. www.mbfilmusic.ca 204 947 2040
	<b>New Brunswick Film Tax Credit</b> 40% of the eligible New Brunswick labour incurred before 2010 (maximum: 50% of total production costs).	<b>Entity:</b> Canadian taxable corporations with a permanent establishment in NB whose primary business in Canada is film and video production, and that does not hold a CRTC licence. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Minimum of 25% of total salaries and wages must be paid to New Brunswick residents.	No fee for application or receipt of this credit. www.nbfilm.ca 506 869 6868
	<b>Newfoundland and Labrador Film and Video Industry Tax Credit</b> 40% of eligible Newfoundland and Labrador labour (maximum: 25% of total production costs. Maximum tax credit: \$3 million per 12-month period).	<b>Entity:</b> Canadian taxable corporations with a permanent establishment in Newfoundland and Labrador whose primary business in Canada is production of films, television or videos. Broadcasters and cable companies are not eligible. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Minimum of 25% of wages and salaries must be paid to residents of the province.	No fee for application or receipt of this credit. www.nlfidc.ca 709 738 3456 or 877 738 3456
	<b>Nova Scotia Film Industry Tax Credit</b> Lesser of: • 50% of eligible Nova Scotia labour + Regional credit: 10% of eligible Nova Scotia labour if principal photography is outside metro Halifax; or • 25% of total production costs + Regional credit: 5% of total production costs if principal photography is outside metro Halifax. + Frequent filming bonus: 5% of eligible Nova Scotia labour on third film produced within 2 years.	<b>Entity:</b> Canadian taxable corporations with a permanent establishment in Nova Scotia whose primary business in Canada is production of films and videos. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Minimum of 25% of total wages and salaries must be paid to Nova Scotia residents. (Productions must be intended for cinema or television and have a minimum viewing length of 20 minutes.)	0.2% of eligible Nova Scotia Labour (minimum \$200, maximum \$2,000 per application), plus \$100 processing fee, plus 13% HST. Payable to Nova Scotia Film Development Corporation. www.film.ns.ca 902 424 7177
	<b>Nunavut Labour Rebate</b> 40% of eligible Nunavut labour (maximum funding: \$300,000 per year). + Regional rebates: 5% for productions in Inuktitut + 5% for productions outside of Iqaluit.	<b>Entity:</b> Nunavut-based companies. <b>Content/Copyright:</b> No content restrictions. Must hold free and clear title and copyright to the intellectual property.	No fee for application or receipt of this rebate. www.nunavutfilm.ca 867 979 3012
	<b>Ontario Film and Television Tax Credit</b> 35% of qualified Ontario labour (no maximum). + Regional credit: 10% of qualified Ontario labour if principal photography is outside the Greater Toronto Area. + Enhancement for first-time producers: 5% of the first \$240,000 of qualified Ontario labour. + Ontario Computer Animation and Special Effects Tax Credit (see Part 2)	<b>Entity:</b> Canadian-controlled taxable corporations with a permanent establishment in Ontario whose primary business is production of films or videos. <b>Content/Copyright:</b> Minimum Canadian content requirement. Must control initial licensing of commercial exploitation. Must be copyright owner for 25 years. <b>Other:</b> Project must be supported by Canadian broadcast licence or distribution agreement with a Canadian, Ontario-based distributor. 75% Ontario cost restrictions. 85% of days of principal photography or animation (except for documentaries and co-productions) and 95% of post-production costs must be in Ontario.	Greater of 0.06% of production costs and \$100 (maximum \$5,000). Payable to Ontario Media Development Corporation. www.omdc.on.ca 416 314 6858
	<b>Ontario Production Services Tax Credit</b> 25% of qualified Ontario production expenditures <sup>1</sup> (no maximum); if expenditures incurred before July 1, 2009, 25% of qualified Ontario labour. + Ontario Computer Animation and Special Effects Tax Credit (see Part 2)	<b>Entity:</b> Taxable corporations with a permanent establishment in Ontario, whose primary business in Ontario is the production of films or videos. <b>Content/Copyright:</b> No Canadian content restrictions. Must own copyright while production is produced in Ontario, or have contracted directly with copyright owner to provide production services if owner is not a qualifying corporation. <b>Other:</b> Minimum cost restrictions apply. Only costs incurred in Ontario are eligible.	\$5,000, with rebate if aggregate credit related to a production is under \$25,000. Minimum fee after rebate is \$1,000. Payable to Ontario Media Development Corporation. www.omdc.on.ca 416 314 6858
	<b>Quebec Film and Television Production Tax Credit</b> French language and giant-screen films: 45% <sup>1</sup> of qualified Quebec labour (maximum: 22.5% of production costs). + Regional bonus: 10% <sup>1</sup> of qualified labour for Quebec corporations outside Montreal and productions shot outside Montreal (maximum: 5% of production costs). + No public financial assistance bonus: 10% <sup>1</sup> of qualified Quebec labour (maximum: 5% of production costs). <b>Other:</b> 35% <sup>1</sup> of qualified Quebec labour (maximum: 17.5% of production costs). + Regional bonus: 20% <sup>1</sup> of qualified labour for Quebec corporations outside Montreal and productions shot outside Montreal (maximum: 10% of production costs). + No public financial assistance bonus: 10% <sup>1</sup> of qualified Quebec labour (maximum: 5% of production costs). + Computer Animation and Special Effects Tax Credit (see Part 2). Maximum combined tax credits: 65% <sup>1</sup> of qualified Quebec labour.	<b>Entity:</b> Quebec-controlled taxable corporations whose primary business is production of films and videos with an establishment in Quebec. Individual producer must have been resident in Quebec on December 31 of the year preceding the year an application is filed. <b>Content/Copyright:</b> SODEC point test requirement for productions at least 75 minutes. Administrative requirement is for copyright to be owned until distribution requirements are met. <b>Other:</b> Project must be supported by a Canadian broadcast licence for broadcast in Quebec or distribution agreement ensuring Quebec distribution. 75% resident cost restrictions. Corporation must control production of the film.	\$1.75 per \$1,000 of Quebec production costs. Minimum fee is \$100; maximum is \$25,000. Plus \$50 for eligibility assessment application. Payable to Société de développement des entreprises culturelles (SODEC). www.sodec.gouv.qc.ca 514 841 2200 www.sodec.gouv.qc.ca/cinema_en.php (English)
	<b>Quebec Production Services Tax Credit</b> 25% of qualified Quebec production expenditures <sup>1</sup> (no maximum); if main photography or recording work in Quebec is completed before June 13, 2009, 25% of qualified Quebec labour. + Computer Animation and Special Effects Tax Credit (see Part 2).	<b>Entity:</b> Taxable corporations with an establishment in Quebec whose chief business is production of films and videos. <b>Content/Copyright:</b> No content restrictions; if main photography or recording work in Quebec is completed after June 12, 2009, the qualified production categories are restricted. Corporation must own copyright while production occurs in Quebec, or must have contracted directly with copyright holder for provision of production services if copyright owner does not qualify for the credit. <b>Other:</b> Minimum costs restrictions apply.	\$3.00 per \$1,000 of qualified labour on first \$1.5 million. \$1.75 per \$1,000 on amounts over \$1.5 million. Minimum fee is \$350; maximum fee is \$25,000. Plus \$500 for approval certificate and \$50 for eligibility assessment application. Payable to Société de développement des entreprises culturelles (SODEC). www.sodec.gouv.qc.ca 514 841 2200 www.sodec.gouv.qc.ca/cinema_en.php (English)
	<b>Quebec Film and Television Dubbing Tax Credit</b> 30% <sup>1</sup> of eligible dubbing labour (maximum 12.15% of total dubbing costs); for final certification applications filed before March 20, 2009, 29.1667% of labour (11.8125% of total dubbing costs).	<b>Entity:</b> Taxable corporations with an establishment in Quebec that carries on a dubbing services business in Quebec. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Quebec employee restrictions apply.	Minimum fee of \$50. \$1.75 per \$1,000 of eligible dubbing labour. Plus \$50 for analysis of application. Payable to Société de développement des entreprises culturelles (SODEC). www.sodec.gouv.qc.ca 514 841 2200 www.sodec.gouv.qc.ca/cinema_en.php (English)
	<b>Saskatchewan Film Employment Tax Credit</b> 45% of eligible Saskatchewan labour (maximum: 22.5% of total production costs). + Regional credit: 5% of total Saskatchewan production costs for operations 40 km outside Saskatoon or Regina. + Saskatchewan key position bonus: 5% of eligible labour.	<b>Entity:</b> Saskatchewan-controlled Canadian taxable corporations with a permanent establishment in Saskatchewan. Cannot be, or deal non-arm's length with, a holder of a CRTC broadcaster licence. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Minimum of 25% of salaries and wages must be paid to Saskatchewan residents.	No fee for application or receipt of this credit. www.saskfilm.com 306 798 9800
	<b>Yukon Film Location Incentive</b> Total rebate = (A + B) or C. <b>Yukon Spend Rebate (A):</b> 25% of eligible Yukon expenditures (if Yukon labour content is at least 50%). For applications filed before March 13, 2009, 35% of eligible Yukon labour if Yukon labour content was at least 25%. <b>Yukon Training Rebate (B):</b> Up to 25% of eligible trainer's wages. <b>Yukon Travel Rebate (C):</b> Up to 50% of travel costs from Vancouver, Edmonton or Calgary to Whitehorse (maximum: \$15,000) if Yukon labour content is at least 15% of the total person-days spent on the Yukon portion of the production.	<b>Entity:</b> Yukon Spend Rebate and Training Rebate: Both Yukon and non-Yukon production companies. Travel Rebate: Non-Yukon production companies only. <b>Content/Copyright:</b> No content restrictions. No copyright requirements. <b>Other:</b> Applicants must qualify for the Spend Rebate before applying for the Training Rebate.	No fee for application or receipt of this cash rebate. www.reelyukon.com 867 667 5400

1. Proposed change, awaiting royal assent.

# The Big Table\*

## Film and Video Incentives in Canada (2009)

For pre-2009 editions of *The Big Table*, see [www.pwc.com/ca/bigtable](http://www.pwc.com/ca/bigtable).

\*connectedthinking

PRICEWATERHOUSECOOPERS 

## The Big Table Film and Video Incentives

Our forecasts show film entertainment spending in Canada will grow at a 4.2% compound annual growth rate to US\$4.2 billion in 2013 from \$3.4 billion in 2009.<sup>1</sup> The growth rates of more digitally-driven segments, such as Internet access, Internet advertising and TV subscriptions, will outperform the industry as a whole both during the downturn and the recovery. While the downturn affects the pace of growth in each segment, it does not alter the underlying pattern of digital revenues expanding at the expense of their non-digital counterparts.

Advertising is currently in broad decline, with global ad spend projected to be still below its 2008 levels in 2013. In Canada, the Internet advertising (wired and mobile) is expected to achieve an 8.6% compound annual growth rate over the period 2009 to 2013. The mobile advertising segment is expected to accelerate even more quickly than wired Internet advertising, driven by the expansion in the mobile access subscriber base, reaching 34% compound annual growth by 2013.

Additional incentives may be available for entertainment companies looking to expand into the Internet and other platforms. Our publication *The Big Table* includes these other types of incentives in its "Digital Media and Animation Incentives in Canada" component.

The Entertainment and Media Practice of PricewaterhouseCoopers provides global, national and middle-market companies with unparalleled breadth of experience and a comprehensive range of professional services. We welcome the opportunity to put our industry expertise and resources to work for you. Please contact a PricewaterhouseCoopers professional near you to find out how we can assist your company.

*Tracey Jennings*  
Canadian Leader, Entertainment and Media Practice

1 Global Entertainment and Media Outlook: 2009–2013:



Canada  
September 1, 2009

### National Leader

Tracey Jennings [tracey.l.jennings@ca.pwc.com](mailto:tracey.l.jennings@ca.pwc.com)

### Halifax/East

Donald Flinn [donald.m.flinn@ca.pwc.com](mailto:donald.m.flinn@ca.pwc.com)

### Montreal/Quebec

Denis Langelier [denis.langelier@ca.pwc.com](mailto:denis.langelier@ca.pwc.com)  
Guy LeBlanc [guy.leblanc@ca.pwc.com](mailto:guy.leblanc@ca.pwc.com)  
Rémi Tremblay [remi.tremblay@ca.pwc.com](mailto:remi.tremblay@ca.pwc.com)

### Toronto/Central

Spence McDonnell [spence.n.mcdonnell@ca.pwc.com](mailto:spence.n.mcdonnell@ca.pwc.com)  
Tracey Jennings [tracey.l.jennings@ca.pwc.com](mailto:tracey.l.jennings@ca.pwc.com)  
Gino Scapillati [gino.scapillati@ca.pwc.com](mailto:gino.scapillati@ca.pwc.com)  
John Simcoe [john.b.simcoe@ca.pwc.com](mailto:john.b.simcoe@ca.pwc.com)

### Vancouver/Western

Rick Griffiths [rick.m.griffiths@ca.pwc.com](mailto:rick.m.griffiths@ca.pwc.com)  
Warren Nimchuk [warren.w.nimchuk@ca.pwc.com](mailto:warren.w.nimchuk@ca.pwc.com)

To reach us by telephone, call 416 863 1133. From within North America, call 866 842 3792, toll free. Get connected to a global network with insight. Check our entertainment and media web page at [www.pwc.com/ca/em](http://www.pwc.com/ca/em) for more information.

### Tax News Network

Tax News Network (TNN) provides subscribers with Canadian and international information, insight and analysis to support well informed tax and business decisions. Try it today at [www.ca.taxnews.com](http://www.ca.taxnews.com).