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PART II/PARTIE II

REVISED REGULATIONS OF SASKATCHEWAN/ RÈGLEMENTS RÉVISÉS DE LA SASKATCHEWAN

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REVISED REGULATIONS OF SASKATCHEWAN

SASKATCHEWAN REGULATIONS 3/2006*The Film Employment Tax Credit Act*

Section 24

Order in Council 32/2006, dated January 24, 2006

(Filed January 25, 2006)

Title

1 These regulations may be cited as *The Film Employment Tax Credit Amendment Regulations, 2006*.

R.R.S. c.F-13.11 Reg 1 amended

2 *The Film Employment Tax Credit Regulations* are amended in the manner set forth in these regulations.

Section 5 amended

3(1) Subsection 5(4) is amended by striking out “December 31, 2005” and substituting “December 31, 2008”.

(2) The following subsection is added after subsection 5(4):

“(5) If the minister waives the residency requirements imposed by the Act, the salary, wages and remuneration that are paid to non-Saskatchewan residents and claimed by the eligible corporation as eligible salaries shall not exceed 25% of the total eligible salaries claimed for the eligible film”.

New section 6.1

4 The following section is added after section 6:

“Additional film employment tax credit

6.1 For the purposes of subsection 12(4.1) of the Act:

- (a) the prescribed amount is \$3 million; and
- (b) the prescribed positions are as set out in Table 2 of the Appendix”.

New section 7

5 Section 7 is repealed and the following substituted:

“Application form and deadlines

7(1) For the purposes of clauses 6(1)(a) and 13(1)(a) of the Act, Form A of the Appendix is prescribed as the application form.

(2) For the purposes of subsection 6(3) of the Act:

- (a) for any production for which principal photography is completed before February 1, 2006, the corporation must apply to register the production as an eligible film at the time it applies for a film employment tax credit with respect to the production or at any time before that; and
- (b) for any production for which principal photography is commenced or continued on or after February 1, 2006, the corporation must apply to register the production as an eligible film on or before the last day of principal photography on the production.

(3) If principal photography on an eligible film is completed on or before December 31, 2005, application for a film employment tax credit respecting the eligible film must be submitted to the minister in accordance with section 13 of the Act:

- (a) after completion of the eligible film; and
- (b) on or before December 31, 2007.

(4) If principal photography on an eligible film is completed after December 31, 2005, application for a film employment tax credit respecting the eligible film must be submitted to the minister in accordance with section 13 of the Act:

- (a) after completion of the eligible film; and
- (b) not more than two years after the end of the qualified eligible corporation's taxation year in which principal photography on the eligible film is completed".

Appendix amended

6(1) The Appendix is amended in the manner set forth in this section.

(2) The following Table is added after Table 1:

"TABLE 2
[*Clause 6.1(b)*]

Positions

Costume Designer
Director
Director of Photography
Gaffer
Key Grip
Locations Manager
Production Co-ordinator
Production Designer
Property Master
Writer".

(3) Form A is repealed and the following substituted:

“FORM A
[Subsection 7(1)]
Application Form

SASKATCHEWAN FILM EMPLOYMENT
TAX CREDIT APPLICATION

For SaskFilm Use

Date Received: _____

Tracking Number: _____

Entered: _____

- (Check one) Initial Application (provide estimated figures)
 Final Application (provide actual figures)

TITLE OF PRODUCTION: _____

PREVIOUS TITLES: _____

IF TELEVISION SERIES: CYCLE NO. _____

EPIISODE NOS. _____

PART I —APPLICATION INFORMATION

PRODUCTION COMPANY: _____

Address: _____

City/Province: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Contact Person: _____ Title: _____

Corp. Fiscal Year End: _____ Corp. Income Tax Account No.: _____

Incorporated provincially or federally: Provincially Yes No Province: _____
 Federally Yes No

SASKATCHEWAN PARENT PRODUCTION COMPANY (if applicable)

PARENT COMPANY: _____

Address: _____

City/Province: _____ Postal Code: _____

Phone: _____ Fax: _____ Email: _____

Contact Person: _____ Title: _____

Corp. Fiscal Year End: _____ Corp. Income Tax Account No.: _____

Incorporated provincially or federally: Provincially Yes No Province: _____
 Federally Yes No

OFFICERS OF PRODUCTION COMPANY (attach a separate sheet for parent company)

NAME	CITIZENSHIP/RESIDENCY

DIRECTORS OF PRODUCTION COMPANY (attach a separate sheet for parent company)

NAME	CITIZENSHIP/RESIDENCY

Does the Production Company have a permanent establishment in Saskatchewan? Yes No

Did the Production Company have a permanent establishment in Saskatchewan throughout production of the eligible film and on the last day of the taxation year for which the tax credit is claimed? Yes No

Is all or part of the income of the Production Company exempt from tax pursuant to Part I of the *Income Tax Act* (Canada)? Yes No

Does the Production Company primarily carry on the business of:

- (a) Film Production? Yes No
- (b) Video Production? Yes No
- (c) Multimedia Production? Yes No

Is the Production Company controlled, directly or indirectly in any manner whatever, by:

- (a) another corporation that does not, or a group of corporations that do not, have a permanent establishment in Saskatchewan? Yes No
- (b) an individual who does not, or a group of individuals who do not, reside in Saskatchewan? Yes No

Does the Production Company hold a broadcast licence issued by the Canadian Radio-television and Telecommunications Commission (CRTC)? Yes No

Does the Production Company deal at non-arm's length with a broadcaster? Yes No

CO-PRODUCTION INFORMATION:

Is this project a Co-Production? Yes No
 If so, does the applicant share in copyright ownership? Yes No
 Applicant's share of ownership of copyright _____ %

CO-PRODUCER'S INFORMATION:

CO-PRODUCER: _____	
Address: _____	
City/Province/State: _____	Postal Code: _____
Phone: _____	Fax: _____ Email: _____
Contact Person: _____	Title: _____

PART II—ELIGIBILITY REQUIREMENTS

A. Calculation of Salaries and Wages

*(For Initial Application, provide estimated salaries and wages)
 (For Final Application, provide actual salaries and wages)*

Total salaries and wages paid by the Production Company for this production \$ _____ (A)
 Salaries and wages paid in Saskatchewan to eligible employees for this production (excluding deemed labour) \$ _____ (B)
 Percentage of salaries and wages paid in Saskatchewan to eligible employees for this production. Line (B) divided by Line (A) *(must be a minimum of 25% of salaries and wages paid to eligible employees for this production)* _____ %

B. Rural Bonus Requirements *(only required if applying for a rural bonus)*

Location and address of fixed base of operations (production office)

Address: _____	

Phone: _____	Fax: _____

Approximate distance from Regina or Saskatoon _____

	From (y/m/d)	To (y/m/d)	Office Location	No. of Days
Pre-production				
Production				
Post-production/wrap				

SPECIFIC LOCATION OF SHOOTING	NUMBER OF DAYS

Total days of principal photography _____
Total days of principal photography min. of 40 km outside of Regina or Saskatoon _____
Anticipated completion date of principal photography _____, 20 _____

C. Key Position Bonus Eligibility Requirements *(only required if applying for a key position bonus)*

Position	Available Points	Name of Person	Saskatchewan Resident		Points Earned
			Yes	No	
Costume Designer	1				
Director	1				
Director of Photography	1				
Gaffer	1				
Key Grip	1				
Locations Manager	1				
Production Co-ordinator	1				
Production Designer	1				
Property Master	1				
Writer	1				
Points Earned					/10

PART III—DISTRIBUTION

DISTRIBUTION RIGHTS *(attach separate sheet if necessary)*

Distribution Company:			
Address:			
Amount of Advance or Pre-sale	Media	Term	Date of start of Term

Distribution Company:			
Address:			
Amount of Advance or Pre-sale	Media	Term	Date of start of Term

BROADCAST RIGHTS *(attach separate sheet if necessary)*

Broadcaster:			
Address:			
Amount of Licence	Media	Term	Date of start of Term

Broadcaster:			
Address:			
Amount of Licence	Media	Term	Date of start of Term

Broadcaster:			
Address:			
Amount of Licence	Media	Term	Date of start of Term

Broadcaster:			
Address:			
Amount of Licence	Media	Term	Date of start of Term

PART IV—DESCRIPTION OF PRODUCTION

Production Category *(please check)*

Genre Fiction Performing Arts Children Music
 Variety Education/Instructional Magazine Documentary
 Other

Type Anthology Feature Film TV Program Mini Series
 MOW/MFT Pilot Series Direct to Video
 Other Multimedia Animation

Market Theatrical _____ Non-Theatrical _____ Television _____ Multimedia _____

Indicate: (1) for primary (2) for secondary

Total running length <i>(in minutes)</i>	
If series, number of episodes	
If multimedia, number of CD's	
Length in minutes <i>(per episode)</i>	

PRODUCTION SPECIFICATIONS

Original Version English French Double Shooting *(English and French)*
 Other _____

Dubbed or Subtitled Version English French Other _____

PRODUCTION FORMAT

Production Film _____ mm Tape Multimedia/other

Post-Production Film _____ mm Tape Other _____

Delivery or Release Film _____ mm Tape Other _____

PRODUCTION SCHEDULE

LIVE ACTION	FROM (year-month-day)	TO (year-month-day)
Preparation		
Production		
Post-Production		
Answer Print/Video Master/CD ROM		
ANIMATION	FROM (year-month-day)	TO (year-month-day)
Storyboards		
Production		
Post-Production		
Answer Print		

PART V—FINANCIAL INFORMATION

FINANCING SOURCES

FINANCING SOURCE AND NAME OF FUND	NATURE OF PARTICIPATION	AMOUNT (\$CDN)	%	CONFIRMED
TOTAL BUDGET		\$	100%	

PART VI—CALCULATION OF SASKATCHEWAN FILM EMPLOYMENT TAX CREDIT

A. INTERPRETATION

For the purpose of calculating the Saskatchewan Film Employment Tax Credit:

- (a) Eligible salaries means eligible salaries within the meaning of *The Film Employment Tax Credit Act* (Saskatchewan);
- (b) Deemed Labour means the salaries and wages or other remuneration paid to employees or individuals for whom the residency requirements have been waived.

B. CALCULATION OF TOTAL PRODUCTION COSTS*(For Initial Application, provide estimated total production costs)**(For Final Application, provide actual total production costs)*

Total Eligible Production Costs		\$ _____	(A)
Government Assistance <i>(as defined in The Film Employment Tax Credit Act)</i>			
1.	\$ _____		
2.	\$ _____		
3.	\$ _____		
4.	\$ _____		
5.	\$ _____		
Total Government Assistance	\$ _____	\$ _____	(B)
Eligible Cost of Production <i>(Subtract Line (B) from Line (A))</i>		\$ _____	(C)
	<i>Line (C) multiplied by 50%</i>	\$ _____	(D)
Total spent in Saskatchewan <i>(does not include Deemed Labour)</i>		\$ _____	(E)

C. ELIGIBLE SALARIES

Saskatchewan Labour	\$ _____		
Deemed Labour	\$ _____		
Total Labour <i>(Saskatchewan Labour and Deemed Labour)</i>		\$ _____	(F)
	<i>(Enter the lesser of Line (D) and Line (F))</i>	\$ _____	(G)
Total Labour Tax Credit <i>(Line (G) x 45%)</i>		\$ _____	(H)

D. RURAL BONUS

Rural Bonus—5% of total production costs spent in Saskatchewan if base of operations is located more than 40 km from Regina or Saskatoon.

Total Rural Bonus <i>(the lesser of Line (C) and Line (E) x 5%)</i>		\$ _____	(I)
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E. KEY POSITION BONUS

Key Position Bonus—5% of eligible salaries if at least six prescribed positions are filled by Saskatchewan residents and if total production costs *(Line (C) above)* meet or exceed the prescribed amount.

Total Eligible Salaries <i>(Line (G) above)</i>		\$ _____	(J)
Total Key Position Bonus <i>(Line (J) x 5%)</i>		\$ _____	(K)

TOTAL TAX CREDIT	<i>(Line (H) + Line (I) + Line (K))</i>	\$ _____	(L)
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PART VII—SIGNATURE

I, _____ of _____
am an authorized signing officer of the Production Company. I certify that this application, including any accompanying information, has been examined by me and is true and complete in every respect.

Signature _____ Date _____

Name _____ Title _____

PART VIII—ATTACHMENTS**A. For Initial Applications**

1. A detailed budget breakdown. This must be separated into expenditures inside and outside of Saskatchewan if applying for the Rural Bonus.
2. A detailed breakdown of eligible salaries which includes Saskatchewan Labour and Deemed Labour. This must be separated by position and individual labour amounts (*name, address and SIN are optional*) and must be provided in an approved format.
3. Confirmation of any government assistance (*if applicable*).
4. Script for the production.
5. Corporate Declaration certifying that the Production Company consents to provide recognition of the Saskatchewan Film Employment Tax Credit in the credits of the production, including all promotional materials.
6. Incorporation documents for the production company, with a list of shareholders and directors indicating citizenship.
7. Corporate secretary's certificate naming the shareholders and the number and class of shares held by each.

B. For Final Applications only

1. A detailed final cost report. This must be separated into expenditures inside and outside of Saskatchewan if applying for the Rural Bonus.
2. A detailed breakdown of eligible salaries which includes Saskatchewan Labour, Saskatchewan Service Provider Labour, and Deemed Labour and must be provided in an approved format. This must include position, name, company, address and SIN. For Deemed Labour this includes: Deemed Position, Deemed Name, Saskatchewan Trainee Name, Saskatchewan Trainee Position, and Deemed Amount.
3. Declaration of Saskatchewan residency forms for all claimed Saskatchewan residents whose labour is in excess of \$500.
4. An audited financial statement, which includes an audited detailed listing of eligible labour expenditures, is required for all productions with total production costs of \$500,000 or more. The minister will accept a review engagement report (as defined in sections 8100 and 8200 of the *Canadian Institute of Chartered Accountants Handbook*) for productions with total production costs of \$200,000 to \$499,000. For productions with total production costs of less than \$200,000, the producer is required to sign a statutory declaration, in the prescribed form, with respect to production costs.
5. Copies of all agreements relating to the financing of the production.
6. Confirmation of approval of relevant deemed labour.
7. Recoupment schedule.
8. Summary of expected revenue for the production.
9. A printed copy of all opening and closing credits.
10. VHS or DVD (or CD ROM for multimedia projects) copy of the production, including all promotional materials.

(4) Paragraph 3 of Form C is repealed and the following substituted:

“3. In addition to residing in Saskatchewan throughout the period mentioned in paragraph 1:

(a) I resided in Saskatchewan on December 31 of the year or years during which the production was made; or

(b) the production was started and completed in the same calendar year, and I resided in Saskatchewan on December 31 of that year or on December 31 of the previous year”.

Coming into force

7(1) Subject to subsection (2), these regulations come into force on the day on which they are filed with the Registrar of Regulations, but are retroactive and are deemed to have been in force on and from January 1, 2006.

(2) Section 5 and subsection 6(3) of these regulations come into force on February 1, 2006.