



BRITISH COLUMBIA FILM AND TELEVISION TAX CREDIT (2008 and later tax years)

You can use this form to claim the following credits under the Income Tax Act (British Columbia)

- Basic tax credit and additional basic tax credits (section 80)
• Regional tax credit (section 81.1)
• Distant location regional tax credit (section 81.11)
• Film training tax credit (section 82)
• Digital animation or visual effects tax credit (section 81.2)

To claim any of the above credits, attach the following to the top of your T2 Corporation Income Tax Return for the year:

- ☐ eligibility certificate
☐ if the production was completed in the taxation year include a completion certificate and a copy of the audited statement of production costs and notes provided to British Columbia Film, and
☐ a completed copy of this form for each eligible production.

Do not use this area
Code number

Freedom of Information and Protection of Privacy Act (FOIPPA)
The personal information on this form is collected for the purpose of administering the Income Tax Act (British Columbia) under the authority of both this Act and section 26 of the FOIPPA.

Part 1 - Corporate Information

Corporate name, Business number, 145 Corporate name (from eligibility certificate if different than above), Address, Postal code, 151 Name of person to contact for more information, 153 Phone number, Fax number, Mailing address (complete only if different from address above), Tax year (From Y M D To Y M D)

Part 2 - Eligibility

Was the corporation at any time in the taxation year controlled directly or indirectly in any manner whatever by one or more persons, all or part of whose taxable income was exempt from tax under section 27 of the Income Tax Act (British Columbia) or Part I of the federal Income Tax Act (the federal Act)? 220 1 Yes ☐ 2 No ☐
Was all or part of the corporation's taxable income at any time in the taxation year exempt from tax under section 27 of the Income Tax Act (British Columbia) or Part I of the federal Act? 222 1 Yes ☐ 2 No ☐
Was the corporation at any time in the taxation year:
a) a prescribed labour-sponsored venture capital corporation for the purposes of section 127.4 of the federal Act? 230 1 Yes ☐ 2 No ☐
b) a small business venture capital corporation registered under section 3 of the Small Business Venture Capital Act? 235 1 Yes ☐ 2 No ☐
c) a corporation registered under section 2 (employee share ownership plans) of the Employee Investment Act? 240 1 Yes ☐ 2 No ☐
d) a corporation registered under section 8 (employee venture capital corporation) of the Employee Investment Act? 245 1 Yes ☐ 2 No ☐
Has the corporation claimed a British Columbia production services tax credit for this production? 250 1 Yes ☐ 2 No ☐
If you answered yes to any of the above questions, you are not eligible for a British Columbia film and television tax credit.

Part 3 - Identifying the film or video production

301 Title of production, 302 Enter date that the principal filming or taping began (Y M D), 304 Title of production (from eligibility certificate if different than line 301), 303 Enter eligibility certificate number, Was the production completed in the taxation year? 310 1 Yes ☐ 2 No ☐, Has a completion certificate been obtained? 311 1 Yes ☐ 2 No ☐, Is the production an interprovincial co-production? 312 1 Yes ☐ 2 No ☐, Is the production a treaty co-production? 313 1 Yes ☐ 2 No ☐

Part 4 – Determining the production cost limit

Cumulative production cost as at the end of the taxation year (include current and prior year production costs)	405	1
Deduct: government or non-government assistance that the corporation has not repaid	410	2
Line 1 minus line 2	=	3
Applicable rate	× 48%	4
Line 3 multiplied by rate on line 4	=	5
Deduct: Qualified BC labour expenditures claimed in all previous taxation years	420	6
Production cost limit (line 5 minus line 6)	480	7

75% of the cost of producing the British Columbia portion of the production must be payable for **goods or services provided in British Columbia** by BC-based individuals or a BC-based corporation. For documentaries, 75% of the cost of producing the British Columbia portion of the production must be payable for **goods or services** provided by BC-based individuals or a BC-based corporation.

Part 5 – Determining the qualified BC labour expenditure

BC labour expenditure for the current taxation year (see instructions) is the total of:		
Salary or wages	505	8
Other remuneration:		
for services personally rendered by BC-based individuals plus other remuneration paid to proprietorships or partnerships, to the extent of amounts paid by them for salary or wages to BC-based individuals	515	9
for services personally rendered by the shareholder of a taxable Canadian corporation in which all shares of the capital stock are owned by a BC-based individual and the corporation's main activities are to provide that individual's services, plus remuneration paid to that taxable Canadian corporation to the extent of amounts paid by the corporation for salary or wages to BC-based individuals	516	10
paid to multi-owned taxable Canadian corporations to the extent of amounts paid by the corporation for salary or wages to BC-based individuals	520	11
Reimbursement by the corporation of salary or wages paid by a parent corporation that wholly owns the corporation and that is a taxable Canadian corporation, for an expenditure that would have qualified as a BC labour expenditure	525 +	12
Total BC labour expenditure for the current taxation year (add lines 8 to 12)		13
Unclaimed BC labour expenditure from the preceding year:		
BC labour expenditure for the previous taxation year	530	14
Less: qualified BC labour expenditure for the previous taxation year	535	15
Line 14 minus line 15		16
Line 13 plus line 16		17
Less: all amounts transferred under a reimbursement agreement to a wholly owned subsidiary that claims the amount as a BC labour expenditure	550	18
Line 17 minus line 18		19
Qualified BC labour expenditure for the taxation year (enter the lesser of line 7 and line 19)	590	20

Part 6A – Determining the basic tax credit

Qualified BC labour expenditure (from line 20)		21
Applicable rate	× 30%	22
Line 21 multiplied by rate on line 22	=	23
For an interprovincial co-production, see the instructions for this part. If this is not an interprovincial co-production, enter 100%	610 × %	24
Basic tax credit (line 23 multiplied by rate on line 24)	620	25

Part 6B – Determining the additional basic tax credit for labour expenditures incurred after December 31, 2007

Qualified BC labour expenditure (amount from line 20 incurred after December 31, 2007)	600		21A
Applicable rate		X 5%	22A
Line 21A multiplied by rate on line 22A		=	23A
Percentage from line 24, Part 6A		X %	24A
Additional basic tax credit (line 23A multiplied by rate on line 24A)	810	=	25A

Part 7A – Determining the regional tax credit when principal photography begins after March 31, 2003

Total qualified BC labour expenditure for the current taxation year incurred after December 31, 2002 (from line 20)			31
If this is a series intended for television broadcast, deduct the British Columbia labour relating to non-qualifying episodes (see note*)	690	-	32
Qualified BC labour expenditure for the purpose of the regional tax credit calculation (line 31 minus line 32)		=	33
Total number of principal photography days in British Columbia outside of the designated Vancouver area for the qualifying production or qualifying episodes	695		34
Total number of principal photography days of the qualifying production or qualifying episodes in British Columbia	700	÷	35
Proration rate (line 34 divided by line 35)		X	36
Prorated qualified BC labour expenditure (line 33 multiplied by line 36)			37
Applicable rate		X 12.5%	38
Regional tax credit (line 37 multiplied by rate on line 38)	705	=	39

*** Note** – There must be a minimum of three episodes (qualifying episodes) in a cycle in which principal photography is done in British Columbia outside of the designated Vancouver area for a minimum of 5 days and during more than 50% of the total principal photography days in British Columbia. Only qualifying episodes are eligible for the regional tax credit.

Part 7B – Determining the distant location regional tax credit when principal photography begins after February 19, 2008

Total qualified BC labour expenditure for the current taxation year incurred after December 31, 2007 (from line 20 or portion of line 20)	645		31A
If this is a series intended for television broadcast, deduct the British Columbia labour relating to non-qualifying episodes (see note*)	655	-	32A
Qualified BC labour expenditure for the purpose of the distant location regional tax credit calculation (line 31A minus line 32A)		=	33A
Total number of principal photography days in British Columbia done in a distant location for the qualifying production or qualifying episodes (see note*)	660		34A
Total number of principal photography days of the qualifying production or qualifying episodes done in British Columbia	665	÷	35A
Proration rate (line 34A divided by line 35A)		X	36A
Prorated qualified BC labour expenditure (line 33A multiplied by line 36A)			37A
Applicable rate		X 6%	38A
Distant location regional tax credit (line 37A multiplied by rate on line 38A)	670	=	39A

***Note** – The non-qualifying episodes for the distant location regional tax credit are the same as the non-qualifying episodes for the regional tax credit. Principal photography of the production must be done in British Columbia in a distant location for a minimum of one day and the production must qualify for the regional tax credit.

Part 8 – Determining the film training tax credit

BC labour expenditure paid to BC-based individuals in an approved training program	674		40
Less: any assistance or reimbursement for the training program	678	-	41
Line 40 minus line 41		=	42
Applicable rate		X 30%	43
Line 42 multiplied by rate on line 43		▶	44
Qualified BC labour expenditure (from line 20)			45
Applicable rate		X 3%	46
Line 45 multiplied by rate on line 46		▶	47
Film training tax credit (enter the lesser of line 44 and line 47)	685		48

Part 9 – Determining the qualifying BC labour expenditure directly attributable to prescribed digital animation or visual effects when principal photography begins after March 31, 2003 (qualifying DAVE labour expenditure)

BC labour expenditure incurred after December 31, 2002 directly attributable to digital animation or visual effect activities (DAVE labour expenditure) for the current taxation year is the total of:

Salary or wages	710	49
Other remuneration:		
for services personally rendered by BC-based individuals plus other remuneration paid to proprietorships or partnerships, to the extent of amounts paid by them for salary or wages to BC-based individuals	715	50
for services personally rendered by the shareholder of a taxable Canadian corporation in which all shares of the capital stock are owned by a BC-based individual and the corporation's main activities are to provide that individual's services, plus remuneration paid to that taxable Canadian corporation to the extent of amounts paid by the corporation for salary or wages to BC-based individuals	720	51
paid to multi-owned taxable Canadian corporations to the extent of amounts paid by the corporation for salary or wages to BC-based individuals	725	52
Reimbursement by the corporation of salary or wages paid by a parent corporation that wholly owns the corporation and that is a taxable Canadian corporation, for an expenditure that would have qualified as a BC labour expenditure	730 +	53
DAVE labour expenditure for the current taxation year (add lines 49 to 53)		= 54
Total DAVE labour expenditure for the taxation year plus that of each previous taxation year	735	55
Deduct: All amounts of assistance that can reasonably be considered to be in respect of DAVE labour expenditure reported on line 55	740	56
All qualifying labour expenditures claimed in each of the preceding taxation years	745 +	57
All amounts of DAVE labour expenditure included on line 55 that were transferred under a reimbursement agreement to a wholly owned subsidiary	750 +	58
	(add lines 56 to 58)	= 59
Qualifying DAVE labour expenditure for the taxation year (line 55 minus line 59)		<u>60</u>

Part 10 – Determining the digital animation or visual effects tax credit

Qualifying DAVE labour expenditure (from line 60)		61
Applicable rate	× 15%	62
Digital animation or visual effects tax credit (line 61 multiplied by rate on line 62)	760	<u>63</u>

Part 11 - Total film and television tax credit

Basic tax credit (amount from line 25)		64
Additional basic tax credit (amount from line 25A)	+	65
Regional tax credit (amount from line 39)	+	66
Distant location regional tax credit (amount from line 39A)	+	67
Film training tax credit (amount from line 48)	+	68
Digital animation or visual effects tax credit (amount from line 63)	+	69
Total film and television tax credits (add lines 64 to 69)	800 =	<u>70</u>

Enter on line 671 of Schedule 5 of your *T2 Corporation Income Tax Return* the amount of the British Columbia film and television tax credits from line 70. If you are filing more than one of these forms, add the amounts from line 70 of all the forms and enter the total on line 671 of Schedule 5 of your return.

Certification

I, **851** _____ of _____ ,
Name (please print) Address

certify that the information given in this form, and in all attached documents, is to the best of my knowledge, correct and complete.

Authorized officer's signature

Position or office

855 _____
Date

INSTRUCTIONS FOR FORM T1196, BRITISH COLUMBIA FILM AND TELEVISION TAX CREDIT

If you are applying for the British Columbia Film and Television Tax Credit you must complete Parts 1 to 5 of Form T1196.

In **Part 5**, BC labour expenditure for the taxation year includes amounts:

- incurred from the final script stage to the end of the post-production stage;
- incurred after March 31, 1998 in the taxation year or preceding taxation year, and that did not form part of the claimant's BC labour expenditure for the preceding taxation year;
- paid during the taxation year or within 60 days of the end of the taxation year;
- that are directly attributable to the production; and
- that are for services provided by BC-based individuals.

For eligible productions with principal photography that begins after February 19, 2008, a BC-based individual is defined as an individual who was resident in British Columbia on December 31 of the year preceding the end of the tax year for which the corporation claims a credit.

Complete **Part 6A** if you are applying for the basic tax credit. If your claim is for an interprovincial co-production, for which principal photography commenced on or after April 1, 2001, use Worksheet #1.

Complete **Part 6B** if you are applying for the additional basic tax credit and labour expenditures were incurred after December 31, 2007. Only include qualified BC labour expenditures incurred after December 31, 2007.

Complete **Part 7A** if you are applying for the regional tax credit and principal photography began after March 31, 2003.

Complete **Part 7B** if you are applying for the distant location regional tax credit and principal photography began after February 19, 2008. Only include qualified BC labour expenditure incurred after December 31, 2007.

Complete **Part 8** if you are applying for the film training tax credit.

Complete **Parts 9 and 10** if you are applying for the Digital Animation or Visual Effects Tax Credit.

Complete **Part 11** and the Certification.

Worksheet #1: Interprovincial co-productions for which principal photography commenced on or after April 1, 2001

Percentage of copyright owned by the corporation:	%	<u>1</u>
Total Copyright	100%	<u>2</u>
Less: percentage of copyright owned by federal and provincial agencies with a mandate to finance film or video productions in Canada	%	<u>3</u>
percentage of copyright owned by non-profit organizations that have a fund used to finance film or video productions in Canada	+ %	<u>4</u>
Line 3 plus line 4	- %	<u>5</u>
Line 2 minus line 5	= %	<u>6</u>
Line 1 divided by line 6 - transfer to line 24 , Part 6A and line 24A , Part 6B	%	<u>7</u>