



BRITISH COLUMBIA PRODUCTION SERVICES TAX CREDIT (2008 and later tax years)

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

- Production services tax credit and additional production services tax credits (section 82.1)
- Regional production services tax credit (section 82.2)
- Distant location production services tax credit (section 82.21)
- Digital animation or visual effects production services tax credit (section 82.3)

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

- accreditation certificate
- a completed copy of this form for each accredited production.

Do not use this area
423 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. Questions about the collection or use of this information can be directed to the Information and Privacy Analyst, FOI Section, Ministry of Small Business and Revenue, PO Box 9432 Stn Prov Govt, Victoria, BC V8W 9N6. (Telephone: Victoria at 250-387-3332, Vancouver at 604-660-2421 or toll-free at 1-800-663-7867 and ask to be re-directed). Email: FOI.QRYS@gov.bc.ca

Part 1 – Corporate Information

Corporate name		Business number	
145 Corporate name (from accreditation 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 film and television 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 production services 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 accreditation certificate if different than line 301)	303 Enter accreditation certificate number
	PS

Part 4 – Determining the accredited BC labour expenditure

	A Total Production	B Directly attributable to digital animation or visual effects activities	
Accredited BC labour expenditure for the current taxation year is the total of:			
Salary or wages	405	406	1
Other remuneration:			
for services personally rendered by BC-based individuals plus remuneration paid to proprietorships or partnerships to the extent of amounts paid by them for salary or wages to BC-based individuals	420	421	2
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 principal 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	425	426	3
paid to multi-owned taxable Canadian corporations to the extent of amounts paid by the corporation for salary or wages to BC-based individuals	430	431	4
Reimbursement of salary or wages made by a wholly owned subsidiary corporation to a parent corporation that is a taxable Canadian corporation for an expenditure that would have qualified as a BC labour expenditure	435	436	5
Accredited BC labour expenditure for the current taxation year (add lines 1 to 5)	490	491	6

Part 5 – Determining the accredited qualified BC labour expenditure

Total accredited BC labour expenditure for the current taxation year plus that of each previous year	505	506	7
Deduct: All assistance that can reasonably be considered to be in respect of accredited BC labour expenditure reported on line 7	520	521	8
All accredited qualified BC labour expenditure claimed in a previous taxation year	525	526	9
All amounts of accredited BC labour expenditure included on line 7 that were transferred under a reimbursement agreement to a wholly owned subsidiary	530	531	10
(add lines 8 to 10)			11
Accredited qualified BC labour expenditure for the current taxation year (line 7 minus line 11)	590	591	12

Part 6A – Determining the production services tax credit and the digital animation or visual effects production services tax credit

Accredited qualified BC labour expenditure (AQBCLE) (from line 12)			13
Applicable rate	× 18%	× 15%	14
Production services tax credit/Digital animation or visual effects production services tax credit (line 13 multiplied by rate on line 14)	800	805	15

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

Accredited qualified BC labour expenditure (incurred after December 31, 2007) (if episodic from Worksheet #1, line 30, otherwise from line 12, column A or portion of line 12, column A)	600		13A
Applicable rate		× 7%	14A
Additional production services tax credit (line 13A multiplied by rate on line 14A)	810	=	15A

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

Episodic Productions				
Amount from Worksheet #2, line 31 (see note*)	815			16
Other Productions				
Total accredited qualified BC labour expenditure for the current taxation year incurred after December 31, 2002 (amount from line 12, column A)				17
Total number of principal photography days in British Columbia outside of the designated Vancouver area (see note*)	820		18	
Total number of principal photography days of the production done in British Columbia	825 ÷		19	
Proration rate (line 18 divided by line 19)		×		20
Prorated accredited qualified BC labour expenditure (line 17 multiplied by line 20)		=		21
Applicable rate		×	6%	22
Regional production services tax credit (line 16 or 21 multiplied by rate on line 22)	830 =			23

***Note** – If episodic, complete line 16 and line 23, otherwise, complete lines 17 through 23. Principal photography must be done in British Columbia outside of the designated Vancouver area for a minimum of 5 days and must be more than 50% of the total number of principal photography days in British Columbia.

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

Episodic Productions				
Amount from Worksheet #3, line 32 (see note*)	835			16A
Other Productions				
Total accredited qualified BC labour expenditure for the current taxation year incurred after December 31, 2007 (amount from line 12, column A or portion of line 12, column A)				17A
Total number of principal photography days in British Columbia done in a distant location (see note*)	839		18A	
Total number of principal photography days of the production done in British Columbia	841 ÷		19A	
Proration rate (line 18A divided by line 19A)		×		20A
Prorated accredited qualified BC labour expenditure (line 17A multiplied by line 20A)		=		21A
Applicable rate		×	6%	22A
Distant location production services tax credit (line 16A or 21A multiplied by rate on line 22A)	845 =			23A

***Note** – If episodic, complete line 16A and line 23A, otherwise, complete lines 17A through 23A. Principal photography must be done in British Columbia in a distant location for a minimum of one day and the production must qualify for the regional production services tax credit.

Part 8 – Total production services tax credit

Production services tax credit (amount from line 15, column A)	_____	24
Additional production services tax credit (amount from line 15A)	+ _____	25
Digital animation or visual effects production services tax credit (amount from line 15, column B)	+ _____	26
Regional production services tax credit (amount from line 23)	+ _____	27
Distant location production services tax credit (amount from line 23A)	+ _____	28
Total production services tax credits (add lines 24 to 28)	850 = _____	29

Enter on line 672 of Schedule 5 of your *T2 Corporation Income Tax Return* the amount of the British Columbia production services tax credits from line 29. If you are filing more than one of these forms, add the amounts from line 29 of all the forms and enter the total on line 672 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 T1197, *BRITISH COLUMBIA PRODUCTION SERVICES TAX CREDIT*

If you are applying for the British Columbia Production Services Tax Credit you must complete **Parts 1 to 6A** of **Form T1197**.

In **Part 4**, accredited 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 May 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 and rendered in British Columbia.

For accredited 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 **column B** in **Part 4, 5** and **6A** if you are applying for the digital animation or visual effects production services tax credit and principal photography began after March 31, 2003. Only include accredited qualified BC labour expenditures incurred after December 31, 2002.

Complete **Part 6B** if you are applying for the additional production services tax credit and labour expenditures were incurred after December 31, 2007 and principal photography began before January 1, 2010. If the production is episodic, please complete Worksheet #1: Additional Production Services Tax Credit for episodic productions. Only include accredited qualified BC labour expenditure incurred after December 31, 2007.

Complete **Part 7A** if you are applying for the regional production services tax credit and principal photography began after March 31, 2003. If the production is episodic, please complete Worksheet #2: Regional Production Services Tax Credit for episodic productions. Only include accredited qualified BC labour expenditure incurred after December 31, 2002.

Complete **Part 7B** if you are applying for the distant location production services tax credit and principal photography began after February 19, 2008. If the production is episodic, please complete Worksheet #3: Distant Location Production Services Tax Credit for episodic productions. Only include accredited qualified BC labour expenditure incurred after December 31, 2007.

Complete **Part 8** and the **Certification**.

Worksheet #1: Additional Production Services Tax Credit for episodic productions			
AQBCLE – Total accredited qualified BC labour expenditure for that specific episode incurred after December 31, 2007.			
Episode Number	Episode Title	Principal Photography Start Date	AQBCLE (after December 31, 2007)
Total AQBCLE available for additional 7% credit * (enter on line 13A - Part 6B)			30

* If additional lines are required, please attach additional worksheets.

Worksheet #2: Regional Production Services Tax Credit for episodic productions

AQBCLE – Total accredited qualified BC labour expenditure for that specific episode.

RD – Total number of principal photography days in British Columbia outside the designated Vancouver area.

TD – Total number of principal photography days in British Columbia.

Episode Number	Episode Title	AQBCLE (after December 31, 2002)	RD	TD	Prorated AQBCLE (AQBCLE x RD/TD)
TOTAL PRORATED AQBCLE* (enter on line 16 – Part 7A – Determining the regional production services tax credit)					31

* If additional lines are required, please attach additional worksheets.

