

**CLAIMING A CANADIAN FILM OR VIDEO PRODUCTION TAX CREDIT**

Use this form to claim a tax credit for qualified labour expenditures of a qualified corporation. The corporation must have incurred the expenditures for a production that the Minister of Canadian Heritage certified as a Canadian film or video production.

To claim this credit, attach the following items on top of the *T2 Corporation Income Tax Return* for the taxation year:

- Canadian film or video production certificate "A" (or a copy) issued by the Canadian Audio-Visual Certification Office (CAVCO);
- if applicable, the certificate of completion "B" (or a copy) issued by CAVCO and a copy of the audited statement of production costs and accompanying notes provided to CAVCO; and
- a completed copy of this form for each film or video production. We consider each episode in a series to be a production. However, we will accept one form for episodes in a series that are certified Canadian film or video productions.

For information on claiming this tax credit, refer to the publication *Claiming a Canadian Film or Video Production Tax Credit – Guide to Form T1131* (RC4164) at [www.ccra.gc.ca/ftc](http://www.ccra.gc.ca/ftc).

<b>DO NOT USE THIS AREA</b>	
Code Number	<b>047</b>

**Part 1 — Corporate information (please print)**

Corporate name		Business number								
		R C								
<b>151</b> Contact person's name	<b>153</b> Telephone number	Taxation year	From:	Year	Month	Day	To:	Year	Month	Day

**Part 2 — Identifying the film or video production**

<b>301</b> Production's title	<b>302</b>	Enter date that principal filming or taping began	Year	Month	Day
<b>303</b> Enter CAVCO film certification number	<b>304</b>	Enter CAVCO certificate number (that starts with A or B)			
PCH					
For a series of episodes enter range of CAVCO certificate numbers (that start with A or B)	<b>305</b> From:	<b>306</b> To:			

1. Is the production a Canadian co-production involving only qualified corporations?	<b>311</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Is the production a treaty co-production?	<b>312</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is the production co-owned by a prescribed person?	<b>313</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If you answered "yes" to any of these questions, only include **your portion** of the production costs in Part 5A or Part 6A and the labour expenditures in Part 5B or Part 6B.

**Part 3 — Eligibility**

1. Were the activities of the corporation primarily the carrying on of a Canadian film or video production business through a permanent establishment in Canada?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Was all or part of the corporation's taxable income exempt from Part I tax at any time in the year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Was the corporation at any time in the year controlled directly or indirectly in any manner whatever by one or more persons, all or part of whose taxable income was exempt from Part I tax?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Was the corporation at any time in the year a prescribed labour-sponsored venture capital corporation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Is the production, or an interest in a person or partnership that has, directly or indirectly, an interest in the production, a tax shelter investment for purposes of section 143.2?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If you answered "no" to question 1 or "yes" to any other question, you are **not eligible** for the Canadian film or video production tax credit. If you are **eligible**, review the information in **Part 4** before completing the rest of this form.

**Part 4 — Important information on recent changes**

On November 14, 2003, the Minister of Finance announced changes to the Canadian Film or Video Production Tax Credit, including:

- The limit on the base of qualifying labour expenditures was raised to 60% of the total cost of a production from the existing 48% limit.
- Labour expenditures in respect of non-residents of Canada (other than Canadian citizens) are no longer eligible for the credit.
- If a government entity is an investor, that investment is now treated in the same manner as other forms of government assistance.

**Using the new rules to calculate the tax credit**

1. If the **production commencement time\*** of the film or video is **on or after** November 14, 2003, the tax credit is calculated using the new rules. Complete Part 6A and Part 6B of this form.
2. If the **production commencement time\*** of the film or video is **before** November 14, 2003, but the earliest labour expenditure is made **after 2003**, the tax credit is calculated using the new rules. Complete Part 6A and Part 6B of this form.
3. If the **production commencement time\*** of the film or video is **before** November 14, 2003, but the earliest labour expenditure is made after the corporation's last year that ended **before** November 14, 2003, the corporation may choose between the following options (check one):
  - To calculate the tax credit using the rules in effect before November 14, 2003 (complete Part 5A and Part 5B).
  - or
  - The corporation **elects** to apply the rules in effect on or after November 14, 2003 (complete Part 6A and Part 6B).  
The election must be made no later than the filing due date for its tax year that includes November 14, 2003.

\***Production commencement time**, as defined in subsection 125.4(1) of the *Income Tax Act*, is the **earlier of**:

- (a) the start of principal photography; or
- (b) the latest of:
  - i) the date the first script labour expenses were incurred;
  - ii) the date the production rights were acquired; or
  - ii) two years before the start of principal photography.

**Part 5A — Determining the production cost limit using the rules in effect before November 14, 2003**

Production cost for the taxation year .....	401	+			
Less: Total government and non-government assistance that the corporation has not repaid .....	403	-			
Line 401 minus line 403 .....		=			A
Applicable rate .....		X	48%		B
Multiply line A by line B .....		=			C
Less: Qualified labour expenditures for all previous taxation years .....	407	-			
<b>Production cost limit</b> (Line C minus line 407) .....	410	=			

**Part 5B — Determining the qualified labour expenditure and the tax credit using the rules in effect before November 14, 2003**

<b>Labour expenditure in the taxation year</b>					
Salary or wages paid that are directly attributable to production .....	501	+			
Other remuneration that is directly attributable to production					
paid to: Individuals .....	503	+			
Other taxable Canadian corporations .....	505	+			
Other taxable Canadian corporations (solely owned by an individual) .....	506	+			
Partnerships carrying on business in Canada .....	507	+			
Enter any reimbursement of Canadian labour expenditure that a wholly-owned corporation made under a reimbursement agreement to a parent corporation .....	509	+			
<b>Labour expenditure</b> (add lines 501 to 509) .....		=			D
Labour expenditures for all previous taxation years .....	511	+			
Less: Qualified labour expenditures for all previous taxation years .....	513	-			
Line 511 minus line 513 .....		=			E
Line D plus line E .....		=			F
Less: Labour expenditure that a parent corporation transferred under a reimbursement agreement to a wholly-owned subsidiary corporation .....	515	-			
<b>Labour expenditure</b> (line F minus line 515, if negative, enter "0") .....	518	=			
<b>Qualified labour expenditure</b>					
Enter whichever is less – the amount on line 410 or the amount on line 518 .....					G
Applicable rate .....		X	25%		H
<b>Canadian film or video production tax credit</b> (Multiply line G by line H) .....	520	=			

Enter the amount from line 520 at line 796 of your *T2 Corporate Tax Return*. If you are submitting more than one of these forms, enter the cumulative total.

**Part 6A — Determining the production cost limit using the rules in effect on or after November 14, 2003**

<b>Production cost for the taxation year</b> .....	<b>421</b>	+	_____	
<b>Less:</b> Total government and non-government assistance that corporation has not repaid .....	<b>423</b>	-	_____	
Line 421 minus line 423 .....		=	_____	<b>A</b>
Applicable rate .....		X	60%	<b>B</b>
Multiply line A by line B .....		=	_____	<b>C</b>
<b>Less:</b> Qualified labour expenditures for all previous taxation years .....	<b>427</b>	-	_____	
<b>Production cost limit</b> (Line C minus line 427) .....	<b>430</b>	=	=====	

**Part 6B — Determining the qualified labour expenditure and tax credit using the rules in effect on or after November 14, 2003**

<b>Labour expenditure in the taxation year</b>				
Salary or wages paid that are directly attributable to production .....	<b>601</b>	+	_____	
Other remuneration that is directly attributable to production				
paid to: Canadian residents or non-resident Canadian citizens .....	<b>603</b>	+	_____	
Other taxable Canadian corporations .....	<b>605</b>	+	_____	
Other taxable Canadian corporations				
(solely owned by an individual) .....	<b>606</b>	+	_____	
Partnerships carrying on business in Canada .....	<b>607</b>	+	_____	
Enter any reimbursement of Canadian labour expenditure that a wholly-owned corporation made under a reimbursement agreement to a parent corporation .....	<b>609</b>	+	_____	
<b>Labour expenditure</b> (add lines 601 to 609) .....		=	_____	<b>D</b>
Labour expenditures for all previous taxation years .....	<b>611</b>	+	_____	
<b>Less:</b> Qualified labour expenditures for all previous taxation years .....	<b>613</b>	-	_____	
Line 611 minus line 613 .....		▶	_____	<b>E</b>
Line D plus line E .....		=	_____	<b>F</b>
<b>Less:</b> Labour expenditure that a parent corporation transferred under a reimbursement agreement to a wholly-owned subsidiary corporation .....	<b>615</b>	-	_____	
<b>Labour expenditure</b> (Line F minus line 615, if negative, enter "0") .....	<b>618</b>	=	=====	
<b>Qualified labour expenditure</b>				
Enter whichever is less – the amount on line 430 or the amount on line 618 .....		=	_____	<b>G</b>
Applicable rate .....		X	25%	<b>H</b>
<b>Canadian film or video production tax credit</b> (multiply line G by line H) .....	<b>620</b>	=	=====	
Enter the amount from line 620 at line 796 of your <i>T2 Corporation Tax Return</i> . If you are submitting more than one of these forms, enter the cumulative total.				

**Part 7 — Certification**

I, <b>251</b> _____ of _____, _____,	Name	Address
certify that the information given in this form, and in all attached documents is, to the best of my knowledge, correct and complete.		
_____	_____	<b>255</b> _____
Authorized officer's signature	Position or Office	Date