



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.

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.cra.gc.ca/E/pub/tg/rc4164/.

DO NOT USE THIS AREA
Code Number 047

Part 1 - Corporate information (please print)

Corporate name, Business number, 151 Contact person's name, 153 Telephone number, Taxation year, From: Year Month Day, To: Year Month Day

Part 2 - Identifying the film or video production

301 Production's title, 302 Enter date that principal filming or taping began, 303 Enter CAVCO reference number, 304 Enter CAVCO certificate number, 305 From, 306 To, 311 Is the production a Canadian co-production..., 312 Is the production a treaty co-production..., 313 Is the production co-owned by a prescribed person?...

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?
2. Was all or part of the corporation's taxable income exempt from Part I tax at any time in the year?
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?
4. Was the corporation at any time in the year a prescribed labour-sponsored venture capital corporation?
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?
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.

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

650 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 filed on or before the filing due date for the tax year that includes the day the proposed changes are assented to.

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

(a) the start of principal photography;

(b) the latest of:

- i) the date the first script labour expenses were incurred;
- ii) the date the production rights were acquired; **or**
- iii) two years before the start of principal photography.

	Year	Month	Day
651			
652			
653			
654			

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

Production cost at the end of 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	-	_____	
Production cost limit (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

Labour expenditure in the taxation year				
Salary or wages paid that are directly attributable to the production	501	+	_____	
Other remuneration that is directly attributable to the 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 labour expenditure that a wholly-owned corporation made under a reimbursement agreement to a parent corporation	509	+	_____	
Labour expenditure (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	-	_____	
Labour expenditure (line F minus line 515, if negative, enter "0")	518	=	_____	
Qualified labour expenditure				
Enter whichever is less—the amount on line 410 or the amount on line 518			_____	G
Applicable rate		X	25%	H
Canadian film or video production tax credit (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

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

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

Labour expenditure in the taxation year	
Salary or wages paid for services rendered by Canadian residents or non-resident Canadian citizens that are directly attributable to the production	601 + _____
Other remuneration for services rendered by Canadian residents or non-resident Canadian citizens that is directly attributable to the production	
paid to: Individuals	603 + _____
Other taxable Canadian corporations	605 + _____
Other taxable Canadian corporations (solely owned by an individual)	606 + _____
Partnerships carrying on business in Canada	607 + _____
Enter any reimbursement of labour expenditure that a wholly-owned corporation made under a reimbursement agreement to a parent corporation	609 + _____
Labour expenditure (add lines 601 to 609)	= _____ D
Labour expenditures for all previous taxation years	611 + _____
Less: Qualified labour expenditures for all previous taxation years	613 - _____
Line 611 minus line 613	_____ 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	615 - _____
Labour expenditure (Line F minus line 615, if negative, enter "0")	618 = _____
Qualified labour expenditure	
Enter whichever is less – the amount on line 430 or the amount on line 618	= _____ G
Applicable rate	X 25% H
Canadian film or video production tax credit (multiply line G by line H)	620 = _____
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, 251 _____ 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.			
_____	_____	255	_____
Authorized officer's signature	Position or Office	Date	