

QUÉBEC FILM AND TELEVISION PRODUCTION SERVICES TAX CREDIT

BASIC RATE:	25% ¹ of eligible Quebec labour
TOP UP: Improved tax assistance for computer animation and special effects including the shooting of scenes in front of a chromatic screen	20% of eligible Quebec labour expenditures relating to eligible production activities

- Refundable tax credit based upon eligible labour rendered by Quebec residents on Quebec territory
- Production can be partially done in Quebec
- No Quebec content criteria – no broadcast or projection obligation
- Eligible corporation:
 - Corporation established in Quebec whose activities are primarily in film and television business
 - Corporation does not have to be controlled by Quebec residents
 - Excluded corporations:
 - o tax exempted corporation;
 - o controlled by tax exempted corporation;
 - o holder of a broadcasting licence issued by the CRTC or corporation is at arm's length to a corporation which holds such a licence
- Categories of eligible productions:
 - Fiction including series (live action and animation)
 - Documentary (over 30 minutes duration) including series
 - Variety shows (with criteria)
 - Magazine series (with criteria)
 - Some excluded categories
- Minimum budget requirement:
 - Single film: - production costs must be at least \$1M CAD
 - Series: - production costs must be at least \$100 000 for episode less than 30 minutes in duration
 - production costs must be at least \$200 000 for episode over 30 minutes in duration

¹ The rate applies to eligible labour expenditures incurred after December 20, 2007. For labour incurred before December 20, 2007, the applicable basic rate is 20%.

- Required documentation for copyright ownership:
 - Application form duly completed by the copyright owner or his official designee;
 - Official notarized designee affidavit (if applicable);
 - Complete chain-of-title documentation or legal opinion. For Quebec CGI contracts lesser than \$1,5M CAD, a notarized confirmation of copyright ownership will suffice;
 - Production services contract between eligible Quebec corporation and copyright owner.

- Labour deemed eligible when directly attributable to the making of production and provided by Quebec residents* on Quebec territory
 - Salaries, wages, remuneration of self employees
 - Portion of Quebec established contractors' employees
 - *Quebec residents: individuals who resided in Quebec at some time during the taxation year of the eligible corporation in which the services were provided in the course of making a film or television production*

- Joint roles of SODEC and REVENU QUÉBEC
 - SODEC validates the production conformity and issues the certificates of eligibility (advance ruling and final certificate).
 - Applications must be filed with SODEC before the end of the taxation year in which the eligible corporation wants to claim.
 - Corporation must claim the tax credit refund to REVENU QUÉBEC at its corporate year end along with SODEC certificates of eligibility.

COMBINED QUEBEC AND FEDERAL TAX CREDIT RATES

Combined basic rates (25 % Quebec + 16% Canada*):

♦ Up to **37%** of eligible labour expenditures

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Combined basic rates and Computer animation and special effects

♦ Up to **53,8%** of eligible labour expenditures

** The Quebec Production Services Tax Credit, as a governmental assistance, reduces the Federal portion of the Film or Video Production Services Tax Credit.*

STRATEGIC PLANNING AND TAX CREDIT DEPARTMENT

SODEC

215, St-Jacques Street, Suite 800

Montreal (Quebec)

H2Y 1M6

Phone: (514) 841-2200

Fax: (514) 864-6600