

Scriptwriting Tax Credit

The Scriptwriting Tax Credit (“STC”) is a refundable Film and Television tax credit under Film Incentive BC (FIBC) that is 35% of eligible B.C. scriptwriting expenditure paid to a BC-based scriptwriter:

- that are directly attributable to the development of script material of a production
- incurred by a corporation either after February 20, 2018 or 2 years before the principal photography start date (whichever is later) and
- incurred before the end of the final script stage of the production.

A qualifying production corporation must be eligible for and claim the Film and Television Basic tax credit in order to claim the STC.

FIBC allows labour expenditure incurred after the end of the final script stage of a production to be eligible for the 35% Basic Tax Credit. The STC is an enhancement under FIBC and allows scriptwriting expenditure (i.e. labour expenditure directly attributable to the development of script material) incurred before the end of the final script stage to be eligible for a 35% tax credit.

STC FAQ

What expenses are eligible for the credit?

Labour expenditure (salary or wages or other remuneration paid to B.C. based scriptwriters) that are directly attributable to the development of script material of a production, and are incurred before the end of the final script stage of the production, are eligible for the credit. For greater clarity, the cost of purchasing a published or finished literary work, screenplay, script or script material is not eligible.

What is considered script material?

The definition of “script material” for the STC is the same as under the federal Canadian Film or Video Production Tax Credit in subsection [125.4\(1\) of the federal Income Tax Act](#).

When can the scriptwriting expenses for a production be incurred in order to be eligible for the credit?

The scriptwriting expenses have to be incurred before the end of the final script stage, but not earlier than the later of:

1. February 21, 2018 and
2. two years before the date principal photography of the production begins.

When can the credit be claimed?

You claim the credit in the taxation year in which principal photography of the production begins. It cannot be claimed in a taxation year prior to principal photography start or in any subsequent taxation years.

Is the cost of purchasing a script from a scriptwriter eligible?

No. The cost of purchasing a script is not an eligible scriptwriting expense.

Is the Scriptwriting Tax Credit available under the Production Services Tax Credit?

No. The STC is only available under FIBC.

Is the eligible BC scriptwriting expenditure included in the qualified BC labour expenditure?

No. The BC Income Tax Act defines an eligible BC labour expenditure to be labour expenditure that is incurred in respect of a production **after** the final script stage to the end of the post-production stage. An eligible BC scriptwriting expenditure is defined to be labour expenditure directly attributable to the development of script material for a production that is incurred **before** the end of the final script stage of the production and not earlier than the later of February 21, 2018 and two years before the date principal photography of the production begins.

What are the payment requirements for eligible BC scriptwriting expenditure?

The scriptwriting expenditure must be paid no later than 60 days after the end of the production corporation's taxation year in which principal photography of the production begins.

The scriptwriting expenditure must be paid either directly by the production company or reimbursed by the production corporation to its parent corporation (which is the sole shareholder of the production corporation). Reimbursement of scriptwriting fees to a related company that is not the sole shareholder of the production corporation is not eligible scriptwriting expenditure.

Is the BC Scriptwriting expenditure eligible for the Scriptwriting Tax Credit if financed by a source considered as assistance?

No. Assistance in respect of BC scriptwriting expenditure must be deducted from the amount claimed under the STC.

What BC labour categories working on the development of script material are eligible?

Only BC writer labour is eligible for Scriptwriting Tax Credit. BC script editors, consultants and researchers are not allowed under the STC but may be eligible under "regular" BC labour expenditure for the basic tax credit if incurred after the final script stage to the end of the post-production stage. Fringes for BC writers are allowed under the Scriptwriting Tax Credit for eligible scriptwriting labour if they are on a T4 as a taxable benefit.

What is the Final Script Stage for scripted productions?

Final script stage is often referred to as the "white draft" of the script. "Before the final script stage" means before the final script has been completed. For scripted productions, eligible scriptwriting expenses are incurred before the end of the final script stage and prior to the principal photography start date.

What documents are required for claiming the Scriptwriting Tax Credit under FIBC?

Please refer to the [FIBC Eligibility checklist](#) and [FIBC Completion checklist](#) available on our website.

Note: This document is intended as a general overview. It is not exhaustive and should not be relied upon to determine eligibility or the final amount of an anticipated tax credit. In case of any discrepancies between this document and the Income Tax Act (BC) and Regulations (the "Act"), the provisions of the Act prevail.