

# Production Services Tax Credit Summary

The Production Services Tax Credit (PSTC) is an economic initiative designed to encourage film, television, digital animation, visual effects and post-production work in British Columbia. Eligible applicants are film, television and animation production corporations that have incurred qualifying labour expenses in British Columbia. The PSTC is not subject to any Canadian content requirements and is available to international or Canadian productions produced in British Columbia.

## How the PSTC Works

The PSTC is a refundable corporate income tax credit. When filing tax returns, production corporations may claim a specified percentage of the labour costs incurred in making film, television, digital animation or visual effects productions. The credits are applied to reduce tax payable, and any remaining balance is paid to the corporation. There is no limit on the PSTC that may be claimed on a particular production and there is no limit that a corporation or group of corporations can claim.

Productions must submit a [pre-certification form](#) through Creative BC's website within 120 days after the date the corporation incurs their first accredited B.C. labour expenditure on the production. See more information on our [PSTC Pre-Certification FAQs](#).

Once the pre-certification number is issued, the production corporation may apply to Creative BC to receive an accreditation certificate for the production. To claim the PSTC, the production corporation must file a corporate income tax return, along with the certificate, to the [Canada Revenue Agency](#) within 18 months from the end of the taxation year in which the PSTC is being claimed.

We strongly recommend that you submit your application for an accreditation certificate to Creative BC within 12 months of the corporation's taxation year end to provide for sufficient processing time. We are unable to guarantee that applications filed later will be processed in time for the production corporation to file with the CRA before the deadline, which may result in denied claims.

## General Eligibility Rules

Production corporations and their productions must meet the following minimum conditions to qualify for the PSTC:

- Minimum budget levels:
  - Greater than \$100,000 per episode - For episodic television, episodes that are less than ½ hour;
  - Greater than \$0 per episode - For episodic television, where episodes are all or substantially all digitally animated and are less than ½ hour;
  - Greater than \$200,000 per episode - For episodic television, episodes that are a ½ hour or longer;
  - Greater than \$1,000,000 – In all other cases;
- The corporation claiming the tax credit must own the copyright in the production or be contracted directly with the copyright owner of the production to provide production services;
- The corporation claiming the tax credit must have a permanent establishment in B.C.;
- Principal photography (or, for animated productions, key animation) on the production has begun;
- Some genres are excluded from the PSTC including, but not limited to, talk shows, news, live sports events, game shows, reality television, and advertising.

## Calculating the Tax Credit Amount

The program includes five initiatives: Basic, Regional, Distant Location and Digital Animation, Visual Effects and Post-Production (DAVE) and Major Production. The tax credit amounts are calculated on the accredited qualified B.C. labour expenditure (AQBCLE) of the corporation that is directly attributable to the production and incurred in British Columbia. The table below sets out the tax credit rates for productions with a principal photography (or, for animated productions, key animation) start date after December 31, 2024:

TAX CREDIT (PSTC)	VALUE	TAX CREDIT AMOUNT CALCULATED ON ...
Basic	<b>36%</b>	AQBCLE. For productions starting principal photography on or after October 1, 2016 and before January 1, 2025, the Basic PSTC rate is 28%.
Regional*	<b>6%</b>	<p>For <b>live action</b> productions, AQBCLE prorated by the number of days of principal photography ("PP") in British Columbia outside of the designated Vancouver area ("DVA") to the total days of PP in BC. Note that to be eligible for the Regional TC, the production must have at least 5 PP days outside the DVA and over 50% of the BC PP days must be outside the DVA. For a series, the Regional TC is assessed on a per episode basis.</p> <p>For <b>animated</b> productions with a key animation start date after December 31, 2024, the Regional TC is based on B.C. labour expenditure in respect of services rendered by B.C.-based individuals who, for at least 50% of their time spent on the production, render the services in a "physical office" in B.C. outside the DVA. For productions with a key animation start date after June 26, 2015, and before June 1, 2024, the Regional TC is based on B.C. labour expenditure in respect of services rendered in B.C. outside the DVA. Productions with a key animation start date on or after June 1, 2024 and before January 1, 2025 are not eligible for the Regional TC.</p>
Distant Location*	<b>6%</b>	<p>For <b>live action</b> productions, AQBCLE prorated by the number of days of PP days in British Columbia within a prescribed area to the total days of PP in B.C. To be eligible for the Distant Location TC, the production must be eligible for the Regional TC and have at least 1 PP day in a distant location. For a series, the Distant Location TC is assessed on a per episode basis.</p> <p>For <b>animated</b> productions with a key animation start date after December 31, 2024, the Distant Location TC is based on B.C. labour expenditure in respect of services rendered by B.C.-based individuals who, for at least 50% of their time spent on the production, render the services in a "physical office" in B.C. in a distant location. For productions with a key animation start date after June 26, 2015, and before June 1, 2024, the Distant Location TC is based on B.C. labour expenditure in respect of services rendered in B.C. in a distant location. Productions with a key animation start date on or after June 1, 2024 and before January 1, 2025 are not eligible for the Distant Location TC.</p>

DAVE*	<b>16%</b>	B.C. labour that is directly attributable to digital animation, visual effects and post-production activities.
Major Production*	<b>2%</b>	The Major Production TC is available for productions with B.C. production costs greater than \$200M that start principal photography after December 31, 2024. It is equal to 2% of a corporation's accredited qualified B.C. labour in respect of the major production and is available after production is completed.

\* The production and production corporation must be eligible for the Basic tax credit before being able to access any of the other bonuses.

## Resources and Forms

Available at [creativebc.com](https://creativebc.com)

- [Pre-certification Registration Form](#)
- [PSTC Application Check List](#)
- [B.C. Legislation](#) and [Regulation](#)
- [Canadian Audio-Visual Certification Office \(CAVCO\)](#) – for federal tax credit information
- [Online Application](#)
- [PSTC Tax Credit Calculator](#)
- [Regional + Distant Location Map](#)
- [DAVE Tax Credit](#)
- [PSTC Deadline Calculator](#)

**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 (B.C.) and Regulations (the "Act"), the provisions of the Act prevail.