

FIBC – Regional and Distant Location Tax Credits

Regional Tax Credit

The regional tax credit is a refundable tax credit under the Film Incentive BC (FIBC) program. The production and the production corporation must be eligible for the basic tax credit to access this bonus.

Live Action Productions

For live action productions, the regional tax credit is equal to **12.5%** of the qualified BC labour expenditure for the production prorated by the number of principal photography days done in British Columbia outside the “[designated Vancouver area](#)” (this includes both “regional” and “distant location” principal photography days) over the total number of BC principal photography days.

NOTE: for an **episodic series consisting of at least three episodes**, the regional proration is calculated for the “[qualifying episodes](#)” of the series. There must be at least three qualifying episodes and only labour for the qualifying episodes may be included in the regional tax credit calculation.

To be **eligible** for the regional tax credit on a live action production, principal photography (PP) on the production must be done in British Columbia outside of the “designated Vancouver area”:

- for at least 5 days, and
- during more than 50% of the total number of days during which PP of the production is done in BC;

For an **episodic series consisting of at least three episodes**, the above requirements apply to the “qualifying episodes” of the series. Principal photography of at least three episodes of the cycle must be done in British Columbia outside of the “designated Vancouver area”.

Animated Productions

To be **eligible** for the regional tax credit on an animated production, the production must incur qualified BC labour expenditure in BC outside of the “[designated Vancouver area](#)”.

For animated productions that start key animation after June 26, 2015 and before June 1, 2024, the regional tax credit is equal to **12.5%** of the qualified BC labour expenditure, prorated by the BC labour expenditure incurred in BC outside the “designated Vancouver area”, over the total BC labour expenditure.

For animated productions that start key animation after December 31, 2024, the regional tax credit is equal to 12.5% of the qualified BC labour expenditure, prorated by the BC labour expenditure in respect of services rendered by BC-based individuals who, for at least 50% of their time spent working on the production, render their services in a “[physical office](#)” in BC outside of the designated Vancouver area, over the total BC labour expenditure.

Animated productions with a key animation start date on or after June 1, 2024 and before January 1, 2025 are not eligible for the regional tax credit.

Distant Location Tax Credit

The distant location tax credit is a refundable tax credit under the FIBC program. The production and the production corporation must be eligible for the basic tax credit and the regional tax credit to access this bonus.

Live Action Productions

For live action productions, the distant location tax credit is equal to **6%** of the qualified BC labour expenditure for the production, prorated by the number of principal photography days done in British Columbia in a [distant location](#), over the total number of BC principal photography days.

NOTE: for an **episodic series consisting of at least three episodes**, the distant location proration is calculated for the “[qualifying episodes](#)” of the series. There must be at least three qualifying episodes, which will be the same qualifying episodes eligible for the regional tax credit, and only labour for the qualifying episodes may be included in the distant location tax credit calculation.

To be **eligible** for the distant location tax credit on a live action production, the production must be:

- eligible for the regional tax credit; and
- a minimum of one day of principal photography must be done in a distant location in British Columbia on the production;

For an **episodic series consisting of at least three episodes**, the above requirements apply to the “qualifying episodes” of the series. Principal photography on at least one day, of one of the “qualifying episodes” of the series, must be done in British Columbia in a distant location.

Animated Productions

To be **eligible** for the distant location tax credit on an animated production, the production must be eligible for the regional tax credit and incur a qualified BC labour expenditure in BC in a distant location.

For animated productions that start key animation after June 26, 2015 and before June 1, 2024, the distant location tax credit is **6%** of the qualified BC labour expenditure, prorated by the BC labour expenditure incurred in a distant location, over the total BC labour expenditure.

For animated productions that start key animation after December 31, 2024, the distant location tax credit is **6%** of the qualified BC labour expenditure, prorated by the BC labour expenditure in respect of services rendered by BC-based individuals who, for at least 50% of their time spent working on the production, render their services in a “[physical office](#)” in a distant location, over the total BC labour expenditure.

Animated 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 tax credit.

FIBC – Regional and Distant Tax Credits FAQ

What is the “designated Vancouver area”?

As defined in s.1(2) of the [Film and Television Tax Credit Regulation](#), “designated Vancouver area” (**DVA**) means,

(...)

(b) in the case of a film or video production for which principal photography begins on or after January 25, 2017, all that portion of the Metro Vancouver Regional District lying

- (i) south of the line of latitude at 49°24'10" N, and
- (ii) west of a line that
 - (A) commences at a point at 49°24'10" N latitude and 122°45' W longitude,
 - (B) runs in a southerly direction, in a straight line, from that point to the point of intersection with the 5L82 BC Hydro power line,
 - (C) runs in a southeasterly direction, following the 5L82 BC Hydro power line, to a point intersecting the end of the paved road at the northern boundary of Minnekhada Regional Park,
 - (D) runs in an easterly direction, in a straight line, to the western shore of the Pitt River,
 - (E) runs in a southeasterly, then southwesterly, direction, following the western shore of the Pitt River to the southern shore of the Fraser River near Douglas Island,
 - (F) runs in a southeasterly direction, following the southern shore of the Fraser River to the point where it intersects the eastern boundary of the City of Surrey, as described in the Letters Patent for the City of Surrey approved July 9, 1993 (Order in Council 785/1993), and
 - (G) runs in a southerly direction, following the eastern boundary of the City of Surrey, to the point of intersection with the southerly boundary of British Columbia;

What is considered a “distant location” in B.C.?

As defined in s.11 of the [Film and Television Tax Credit Regulation](#), the area prescribed as a distant location is all of the area of British Columbia that is outside the designated Vancouver area except the following areas:

- (a) the area of the Metro Vancouver Regional District that is outside the designated Vancouver area;
- (b) in the case of a film or video production for which principal photography begins before February 19, 2014, the Capital Regional District;
- (c) the District of Squamish;
- (d) the Resort Municipality of Whistler;
- (e) Electoral Area D of the Squamish-Lillooet Regional District;
- (f) the City of Abbotsford;
- (g) the City of Chilliwack;
- (h) the Village of Harrison Hot Springs;
- (i) the District of Hope;
- (j) The Corporation of the District of Kent;
- (k) the District of Mission;
- (l) the portion of Electoral Area G of the Fraser Valley Regional District south of the Fraser River;

(m) the area of the Fraser Valley Regional District bounded on the north by the Fraser River, on the east by the District of Hope, on the south by Highway 1 and on the west by the City of Chilliwack.

Where can I verify a location is regional or distant location or designated Vancouver area?

Check the above legislation or [the map](#) available on the Creative BC website. For questions and concerns, contact the Creative BC tax team.

What is “principal photography”?

For live action scripted productions, “principal photography” is the filming of the main unit of the production, with principals and majority key creatives present on set, distinct from second unit, splinter unit, development filming or similar.

For live action unscripted productions, such as documentaries, factual and lifestyle, “principal photography” is the filming of the main unit of the production, with subjects (if applicable) and majority key creatives present on set during which the primary footage of the production is filmed, distinct from the second unit, development filming or similar.

What is “key animation”?

For animated productions, principal photography is the beginning of key animation. “Key animation” is the pivotal moment that defines / encapsulates the movement / emotion / storytelling and provides key frames / drawings / poses, setting the style, timing, life and expression of the character(s) in the sequence. “In-betweening” / assisted animation [for 3D]’ refers to animating all the individual frames between the key frames to create the appearance of motion and happens after key animation. The key animator’s work is part of the final print.

What are “qualifying episodes”?

“Qualifying episodes” are the episodes being included in the calculation of the FIBC regional tax credit for a live action series. There must be **at least 3 qualifying episodes** that have principal photography outside the designated Vancouver area (“DVA”) and, **together as a group**, the qualifying episodes must have:

- at least 5 principal photography days in BC outside the DVA, and
- more than 50% of the total BC principal photography days for the qualifying episodes are outside the DVA.

If a live action series is eligible for the distant location tax credit, the qualifying episodes determined for the regional tax credit are the same qualifying episodes used for the distant location tax credit.

How do I calculate estimated regional and distant location tax credits for a live action “Pilot”?

A pilot episode is treated as a single production for the purpose of calculating the regional or distant location tax credits.

For live action productions, if principal photography occurs within the designated Vancouver area and outside of the designated Vancouver area on the same calendar day, can the day qualify for the regional tax credit?

Yes, but only if principal photography on that day takes place substantially outside of the designated Vancouver area.

For live action productions, if principal photography occurs in a regional location and a distant location on the same calendar day, can the day qualify for the distant location tax credit?

Yes, but only if principal photography on that day takes place substantially in a distant location.

How do you define “substantially” in verifying the locations as regional or distant?

"Substantially" is interpreted as 90% or more. We suggest tracking the principal photography filming time on each location on a same calendar day in the breakdown of locations (Template Production Schedule available on Creative BC's [website](#)).

What is a “physical office”?

As defined in s.79(1) of the BC Income Tax Act, a physical office means a building or part of a building, which is used to produce an animation production, that is not a dwelling unit, and that is owned or leased by either the corporation producing the animation production or a taxable Canadian corporation that controls that corporation. The physical office must be owned or leased for twelve consecutive months, or from the date principal photography of the animation production begins until the date the production is completed, whichever is longer.

How do I calculate the estimated regional tax credit under FIBC?

- For live action single productions: $QLE \text{ (qualified BC labour expenditure)} \times RD \text{ (regional PP days)} / TD \text{ (total BC PP days)} \times 12.5\%$
- For live action episodic productions: $QLE \times RD / TD \times 12.5\%$, where QLE, RD and TD are for the qualifying episodes only
- For animated productions with a key animation start date after June 26, 2015 and before June 1, 2024: $QLE \times RLE \text{ (regional labour expenditure)} / TLE \text{ (total BC labour expenditure)} \times 12.5\%$
- For animated productions with a key animation start date after December 31, 2024: $QLE \times RLE \text{ (regional labour expenditure in respect of services rendered in relation to the animation production by BC-based individuals who, for at least 50% of their time spent on the production, render the services in a “physical office” in BC outside the DVA)} / TLE \text{ (total BC labour expenditure)} \times 12.5\%$.

How do I calculate the estimated distant location tax credit under FIBC?

- For live action single productions: $QLE \times DLD \text{ (distant location PP days)} / TD \times 6\%$
- For live action episodic productions: $QLE \times DLD / TD \times 6\%$, where QLE, DLD and TD are for the qualifying episodes only
- For animated productions with a key animation start date after June 26, 2015 and before June 1, 2024: $QLE \times DLLE \text{ (distant location labour expenditure)} / TLE \times 6\%$

- For animated productions with a key animation start date after December 31, 2024: QLE x DLLE (distant location labour expenditure in respect of services rendered in relation to the animation production by BC-based individuals who, for at least 50% of their time spent on the production, render the services in a “physical office” in BC in a distant location) / TLE (total BC labour expenditure) x 6%.

What documents are required for claiming the regional and distant location tax credits under FIBC?

Please refer to the latest FIBC Eligibility checklist and FIBC Completion checklist available on Creative BC's [website](#).

For live action productions applying for the regional tax credit or for the regional and distant location tax credits, provide:

- a breakdown of locations (with postal codes) for each BC principal photography day; including episodic details for episodic productions (Template – Regional Distant Location Breakdown available on Creative BC's website);
- final daily production reports verifying the locations of each principal photography day or, in the case of a documentary, the final production schedule detailing dates and locations of each principal photography day;

For animated productions with a key animation start date after June 26, 2015 and before June 1, 2024 applying for the regional tax credit or for the regional and distant location tax credits, provide:

- a detailed breakdown of the BC labour expenditure in respect of services rendered in the regional and distant location(s), including locations, individual positions, names, and their associated BC labour costs incurred in the regional or distant locations.

For animated productions with a key animation start date after December 31, 2024 applying for the regional tax credit or for the regional and distant location tax credits, provide:

- a detailed breakdown of the BC labour expenditure in respect of services rendered in the regional and distant location(s), including locations, individual positions, names, their associated BC labour costs incurred in the physical office and outside the physical office for each individual's labour being claimed;
- proof of a physical office at the specified location used to produce the animation production, owned or leased for the entire production period or for 12 consecutive months, whichever is longer;
- proof of services rendered by BC-based individuals at least 50% of their time in the physical office for each individual's labour being claimed,
- Creative BC Declaration form.

Legislation and Regulations Relevant to FIBC Regional and Distant Location Tax Credits:

Links to the relevant section of the BC Income Tax Act and regulations:

[BC Income Tax Act - see Sections 81.1 \(Regional\) and 81.11 \(Distant\)](#)

[Regulation - see Section 1\(2\) definition of "designated Vancouver area" and Section 11 definition of "distant location"](#)

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.