

# Major Production Tax Credit – PSTC

## What is the major production tax credit?

Effective January 1, 2025, a major production tax credit is available to **Production Services Tax Credit** claimants with accredited BC major production expenditure greater than \$200 million for productions with principal photography starting after December 31, 2024. The major production tax credit is equal to 2% of a corporation's accredited qualified BC labour expenditure in respect of the major production. The credit is available upon completion of the major production. The credit can only be claimed in the taxation year the major production was completed.

## How much is the major production tax credit?

The major production tax credit is a refundable tax credit that is 2% of the accredited qualified BC labour expenditures for a major production.

## What is a major production?

A major production is an accredited production that spends greater than \$200 million on accredited BC major production expenditures for the production. For episodic productions intended as a series, one or more episodes in the cycle of the series produced together in B.C., and where each episode is an accredited production, should meet the \$200 million accredited BC major production expenditures threshold. Principal photography of the major production must start after December 31, 2024.

## What are accredited BC major production expenditures?

Accredited BC major production expenditures, in relation to a major production (from pre-production to post-production), are amounts paid for services rendered in B.C. and goods purchased or leased, and used, in B.C. However, the eligible expenditures do not include amounts related to advertising, marketing, promotion or market research, the distribution of the production, or in any way to another film or video production. Furthermore, they do not include any amounts that are not a cost of producing the production or amounts determined by reference to profits or revenues.

## What are the eligibility criteria for the major production tax credit?

A production corporation is eligible for the major production tax credit if the following requirements are met:

- The production corporation is eligible for, and will claim or has already claimed, the production services tax credit.
- If the major production is a series, at least one episode in the cycle of the series is an accredited production that is eligible for the production services tax credit.
- Principal photography for the major production begins after December 31, 2024.
- Total accredited BC major production expenditure for the production is greater than \$200 million.
- The major production was completed in the taxation year the major production tax credit is claimed.
- The production corporation has obtained a major production certificate.

## When can the major production tax credit be claimed?

The production company will need to apply for a major production certificate with Creative BC once the production is completed and provide the information and records in respect of the production that the certifying authority requires. Once a major production certificate has been issued, the major production tax credit can be claimed in the taxation year in which the major production is completed. **It cannot be claimed in a taxation year prior to the completion of the production or in any subsequent taxation years.**

## How is the major production tax credit claimed?

The major production tax credit is claimed by filing form [T1197](#) and the major production certificate with the corporation's T2 return, to the CRA within the filing deadline for the taxation year in which the major production is completed.

## Which types of productions are classified as episodic?

Episodic productions are intended as a series, where one or more episodes form the cycle of the series and are produced together in B.C. without significant hiatus in the production schedule. Episodic narratives feature self-contained stories within a larger framework, often with recurring characters or themes across limited or subsequent cycles.

## What is a “cycle” in relation to episodic production?

One or more episodes of the series that are produced together without a significant hiatus in the production schedule is a production cycle.

## What is an acceptable hiatus for one cycle of episodic production?

The hiatus must be reasonable in length, for example, due to holidays, location changes, weather conditions, or other factors beyond the production's control. The certifying authority will determine the reasonability of a hiatus on a case-by-case basis.

## Are movies produced together considered an episodic production?

No. Two or more feature films or movies of the week produced together are not intended as a series and therefore not considered episodic production even if they are connected by a serialized narrative and tell a story across multiple installments. Each feature film or movie of the week is classified as a separate stand-alone or single production, regardless of whether it is produced and budgeted together with another. Each feature film or movie of the week must independently meet all requirements to qualify as a major production.

## What information and documents are required for claiming the major production tax credit?

Please refer to the PSTC Major Production [checklist](#) available on our website.

## Legislation and regulation relevant to the major production tax credit:

Links to the relevant sections of the BC Income Tax Act and regulation:

Major Production Tax Credit – Section 79 (1), 82.1, 82.4, 85 (1) (b.1), 87.11, 87.2, 88, 89, 90 (c.2)

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 Regulation (the “Act”), the provisions of the Act prevail.