Film Incentive BC (FIBC)

Summary for International Treaty Co-Productions

Film Incentive BC (FIBC) is an economic initiative designed to encourage Canadian live action and animated film and television production work in British Columbia. Eligible applicants are Canadian owned and controlled film, television and animation production corporations with a permanent establishment in B.C. that have incurred qualifying BC labour expenditures. Production corporations that enter into a treaty co-production agreement may be eligible to access FIBC if they meet the requirements of the Film and Television Tax Credit legislation and regulation. A treaty co-production is a film or video production that is jointly produced in Canada and another country in accordance with the treaty co-production agreement between Canada and another country.

How FIBC Works

FIBC is a refundable corporate income tax credit. When filing tax returns, production corporations can claim a specified percentage of labour costs incurred in relation to the production. The credits are applied to reduce tax payable, and any remaining balance is paid to the corporation.

The production corporation must apply to Creative BC to receive eligibility and completion certificates for the production. While these are generally applied for separately, the production corporation can apply for both eligibility and completion certificates together after the production is complete if it is within the required time frames.

For an eligibility certificate, Creative BC strongly recommends applications be submitted at least 9 months before the filing deadline to avoid the risk of losing tax credits. Applicants must apply for a completion certificate promptly after the completion of the production. We strongly recommend applications be submitted at least 9 months before the program's 30-month completion certificate deadline. Creative BC's service standard for processing applications is 120 days from the date a complete application is received, 90% of the time. We cannot 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.

To claim the tax credits, the eligible production corporation must file a corporate income tax return, along with the eligibility certificate, to the Canada Revenue Agency within 36 months (for tax years ending on or after August 17, 2024) or 18 months (for taxation years beginning on or after February 19, 2020 and ending before August 17, 2024).

General Eligibility Rules for Treaty Co-Productions

Production corporations and their productions must meet the following minimum conditions to qualify for FIBC (*Note:* there are different requirements for interprovincial co-productions and productions that are not co-productions):

- The production corporation claiming the tax credit must be a B.C.-based Canadian-controlled taxable Canadian corporation;
- The "producer" of the British Columbia portion of the production, i.e. the person(s) with creative and financial control, must be Canadian BC-based individual(s);
- To be an official treaty co-production, the production must receive a Preliminary Recommendation & Final Recommendation from Telefilm Canada and Part A & Part B certificates from CAVCO;

- At least 20% of the cost of producing the Canadian portion of the production must be attributable to the B.C. production corporation;
- At least 75% of the cost of producing the British Columbia portion of the production must be paid to B.C.-based individuals or corporations for work done in B.C. (for documentaries, at least 75% of the cost of producing the B.C. portion of the production must be paid to B.C.-based individuals or corporations);
- The production must be completed within 24 months after the end of the taxation year in which principal photography or key animation began;
- The production corporation must apply for and receive a completion certificate within 30 months after the end of the taxation year in which principal photography or key animation began;
- There must be a written agreement with a Canadian-controlled distributor or broadcaster to have the production shown in Canada within 24 months of completion;
- There can be no distribution in Canada by a non-Canadian-controlled distributor or broadcaster within 24 months of completion;
- The B.C. production corporation must retain a reasonable revenue interest in non-Canadian markets;
- Principal photography or key animation on the production has begun;
- Some genres are excluded from FIBC including, but not limited to, talk shows, news, live sports events, game shows, and advertising.

Calculating the Tax Credit Amount

The program includes six initiatives: Basic, Regional, Distant Location, DAVE (Digital Animation, Visual Effects and Post-Production), Film Training and Scriptwriting. The tax credit amounts are calculated on the qualified B.C. labour expenditure (QBCLE) of the corporation. The table below sets out the tax credit rates for productions with a principal photography or key animation start date after December 31, 2024. For productions with a principal photography or key animation start date before January 1, 2025, please contact Creative BC for applicable tax credit rates and eligibility requirements.

TAX CREDIT	VALUE	TAX CREDIT AMOUNT CALCULATED ON …
Basic	**40%**	Qualified B.C. labour expenditure (QBCLE) to maximum of 60% of the total cost of production (excluding assistance) incurred after the final script state to the end of post-production.
Regional*	**12.5%**	For **live action** productions, QBCLE prorated by the number of principal photography ("PP") days in British Columbia outside of the designated Vancouver area ("DVA") to the total days of PP in B.C. 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 B..C PP days must be outside the DVA. For a television series, this double threshold applies for a minimum of 3 episodes as a group (the “qualifying episodes”) and the Regional TC is further pro-rated by the number of qualifying episodes to the total number of episodes. For **animated** 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”, that is not a dwelling unit, in B.C. outside the DVA.

TAX CREDIT	VALUE	TAX CREDIT AMOUNT CALCULATED ON …
Distant Location*	**6%**	For **live action** productions, QBCLE prorated by the number of days of PP 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 television series, this requirement applies to the qualifying episodes and the Distant Location TC is further pro-rated by the number of qualifying episodes to the total number of episodes. For **animated** 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" , that is not a dwelling unit, in B.C. in a distant location.
DAVE*	**16%**	BC labour directly attributable to digital animation, visual effects and post-production activities.
Film Training*	**30%**	The amount paid to a B.C.-based individual registered in an approved training program. This TC is capped at 3% of the corporation's QBCLE.
Scriptwriting*	**35%**	The labour expenditure paid to a B.C.-based scriptwriter(s) that are directly attributable to the development of script material of a production, incurred within 2 years before the principal photography or key animation start date and before the end of the final script stage of the production.

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

Resources and Forms

Available at creativebc.com

- FIBC Eligibility Application Checklist
- Template – Schedule of B.C./Non-B.C. Costs
- Online Application
- B.C. Legislation and Regulation
- Canadian Audio-Visual Certification Office (CAVCO) – for federal tax credit information
- Telefilm – for information regarding treaty co-productions
- FIBC Completion Application Checklist
- Regional + Distant Location Map
- FIBC Tax Credit Calculator
- DAVE Tax Credit
- Scriptwriting Tax Credit
- FIBC 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 (collectively the "Act"), the provisions of the Act prevail.