Production Services Tax Credit (PSTC)

Application Checklist

As part of the PSTC program, the production corporation "applicant corporation" must obtain an accreditation certificate for a production, and where applicable, a major production certificate, to file with the Canada Revenue Agency (CRA). Creative BC evaluates the production's eligibility under the PSTC program and submits a recommendation for certification to the Certifying Authority. Once approved, eligible productions will receive the certificate(s) from Creative BC.

To claim the tax credit, an accredited production corporation must file a corporate income tax return, along with the certificate(s), with 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) from the end of the taxation year in which the PSTC is being claimed. The CRA will not process claims that are filed late or that are missing the required documents by the deadline.

A. Application

Creative BC's service standard for processing applications to the Production Services Tax Credit program is 120 days from the date a complete application is received, 90% of the time.

- ☐ Transmit a complete PSTC application through our online application portal;
- ☐ Submit the application fee. Please refer to the Creative BC payment options in the tax credit portal and the PSTC Fee Schedule for details;

B. Accredited Production Corporation

- ☐ Proof of permanent establishment in British Columbia (e.g. lease agreement, bank statement, etc.) showing the applicant corporation's name and permanent establishment address in B.C. to demonstrate that the applicant corporation is subject to tax in British Columbia;

C. Accredited Production

- ☐ A Legal Opinion Letter (addressed to Creative BC or which states that Creative BC can rely upon it) attesting to chain of title and copyright ownership in the production;
- ☐ An Official Designee Declaration when the applicant corporation is not the copyright owner;
- ☐ Copy of the Production Services Agreement between the copyright owner and the applicant corporation when the applicant corporation is not the copyright owner;
- ☐ Locked and signed total production budget (budget top sheet acceptable). Provide currency exchange rate if not in Canadian dollars;
- ☐ Breakdown of applicant corporation's estimated total B.C. production cost;
- ☐ Detailed breakdown of applicant corporation's estimated B.C. labour expenditure;

- ☐ Completed Creative BC PSTC Live Action Production Schedule or PSTC Animation Production Schedule;
- ☐ 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 B.C. principal photography day (template form 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 prior to June 1, 2024 applying for the Regional Tax Credit or for the Regional and Distant Location Tax Credits, provide:
  - a detailed breakdown of the B.C. labour expenditure in respect of services rendered in the regional and distant location(s);

  Productions with a key animation start date on or after June 1, 2024 and before January 1, 2025 are not eligible for the Regional and Distant Location Tax Credits;
- ☐ 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 B.C. labour expenditure in respect of services rendered in the regional and distant location(s);
  - proof of a physical office, that is not a dwelling unit, at the specified location used to produce the animation production, owned or leased through the entire production or for 12 consecutive months, whichever is longer;
  - proof of services rendered by B.C.-based individuals in a physical office for at least 50% of their time on the production);
  - Completed Creative BC PSTC Regional and Distant Location Tax Credits Declaration for Animated Productions;
- ☐ If applying for the Digital Animation, Visual Effects and Post-Production (DAVE) Tax Credit, provide:
  - a detailed breakdown of estimated B.C. labour expenditure directly attributable to eligible digital animation, visual effects, and post-production activities;
  - the methodology used to determine on-set/mechanical labour, directly attributable to creating visual effects during filming in B.C. The methodology should also include a calculation that shows the visual effects for the production are created primarily (i.e. greater than 50%) with digital technology;
  - for productions with only VFX work done in B.C., a copy of the Visual Effects Services Agreement or invoice(s) with the B.C. VFX vendor;
- ☐ Please include an acknowledgment and logo in the on-screen credits. See Creative BC Brand Assets for wording and downloadable logos.

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 B.C. Income Tax Act and Regulations (collectively the "Act"), the provisions of the Act prevail.

The Ministry of Tourism, Arts, Culture and Sport ("Certifying Authority") and Creative BC reserve the right to request additional documentation, including but not limited to a copy of the completed production, to be submitted in a timely manner to assess the application. All documentation

or information received with respect to an application for a PSTC Accreditation Certificate is subject to the confidentiality provisions of the Freedom of Information and Protection of Privacy Act and the Income Tax Act (British Columbia) and will be maintained in strictest of confidence by the Certifying Authority and Creative BC.

The PSTC is administered by Creative BC. Inquiries and applications should be directed to Creative BC.

WARNING: False or misleading information will result in automatic denial of the tax credits and may lead to prosecution under the Income Tax Act (British Columbia).