Production Services Tax Credit (PSTC)

Program 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 B.C. The PSTC is not subject to any Canadian content requirements and is available to international productions produced in B.C.

How the PSTC Works

The PSTC is a refundable corporate income tax credit. When filing tax returns, accredited production corporations can claim a specified percentage of labour costs incurred in B.C in relation to the production. 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.

A production corporation must apply to Creative BC to receive an accreditation certificate and, where applicable, a major production certificate for the production. 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.

Applicants are encouraged to apply for an accreditation certificate as soon as they have all required documentation (see PSTC Application Checklist), and principal photography or key animation has started. Creative BC strongly recommends applications be submitted at least 9 months before the filing deadline to avoid the risk of losing tax credits. Creative BC's service standard for processing applications is 120 days from the date a complete application is received, 90% of the time. Creative BC is 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 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, DAVE (Digital Animation, Visual Effects and Post-Production) and Major Production. The tax credit amounts are calculated on the accredited qualified B.C. labour expenditure (AQBCLE) directly attributable to the production and incurred in British Columbia by 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 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	**36%**	Accredited qualified B.C. labour expenditure (AQBCLE) incurred from after the final script stage to the end of post-production.
Regional*	**6%**	For **live action** 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. For **animated** productions 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.
Distant Location*	**6%**	For **live action** 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. For **animated** productions 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%**	B.C. labour that is directly attributable to digital animation, visual effects and post-production activities.
Major Production*	**2%**	The Major Production TC is available for accredited productions with a total accredited BC major production expenditure greater than $200M . It is equal to 2% of a corporation’s AQBCLE 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 bonuses.

Resources and Forms

Available at creativebc.com

- PSTC Application Checklist
- MPTC Application Checklist
- 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 B.C. Income Tax Act and Regulation (collectively the "Act"), the provisions of the Act prevail.