

Ingledeu, Leanne FIN:EX

From: Banning, Kathy FIN:EX
Sent: Thursday, September 15, 2011 1:11 PM
To: Ingledeu, Leanne FIN:EX
Subject: HST defeat and the Film Industry - CLIFF #250582

Importance: High

Follow Up Flag: Follow up
Flag Status: Completed

Hi Leanne,

As discussed here is the email string for this enquiry. The request was sent up to MCU to forward to Tax Policy on Sept 12th so if you don't receive the official request from them by next Monday could you please let me know and I'll follow up from our end?

Thank you,

Kathy Banning, CGA
Team Leader, Corporate Income Tax
Income Taxation Branch
Ministry of Finance
Phone: 250 356-1275, Fax: 250 356-9243
<< mail to: Kathy.Banning@gov.bc.ca>>

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-----Original Message-----

From: Banning, Kathy FIN:EX
Sent: Monday, September 12, 2011 8:38 AM
To: Leavey, Irene E FIN:EX
Subject: HST defeat and the Film Industry - CLIFF #250582
Importance: High

Irene, can you please forward this to tax policy for their reply.

Thanks.

Kathy

From: S22, S.22
Sent: September 8, 2011 6:44 PM

To: Banning, Kathy FIN:EX
Subject: Re: HST defeat and the Film Industry - CLIFF #250582

Hi Kathy,

Thanks for your reply. While the numbers you quote are impressive what seems to be missing is the fact the Ontario tax credit applies to total costs and ours only applies to labour.

We are losing shows to Ontario, other provinces and other countries. People are out of work. How are you addressing the issue?

S.22

On 2011-09-08, at 16:19, "Banning, Kathy FIN:EX" <Kathy.Banning@gov.bc.ca> wrote:

> Dear S.22

>

> Thank you for your email regarding the HST and the film industry.

>

> British Columbia offers two film and television tax credit programs, the BC Production Services Tax Credit (PSTC) and the BC Film and Television Tax Credit (FTTC). In 2010, British Columbia increased the Production Services Tax Credit to 33% and increased the Digital Animation and Visual Effects (DAVE) tax credit under both programs to 17.5%.

>

> Production corporations may now be eligible for the following tax credits under the two programs:

>

> Production Services Tax Credit

> Base PSTC - 33%

> Regional PSTC - 6%

> Distant Location PSTC - 6%

> DAVE PSTC - 17.5%

>

> Film and Television Tax Credit

> Basic FTTC - 35%

> Regional FTTC - 12.5%

> Distant Location Regional FTTC - 6%

> Film Training Tax Credit - lesser of 3% of qualified BC labour

> expenditure or 30% of trainees labour DAVE FTTC - 17.5%

>

> The various types of credits under each program are stackable, therefore, if a production corporation qualified under the PSTC program for all 4 types of credits they could potentially get a credit of up to 62.5% of their BC labour expenditures. Under the FTTC program they could potentially get a credit of up to 74% of their BC labour expenditures.

>

> For further information on the PSTC, please see the following website:

> http://www.sbr.gov.bc.ca/business/Income_Taxes/Corporation_Income_Tax/tax_credits/production_services.htm

>

> For further information on the FTTC, please see the following website:

> http://www.sbr.gov.bc.ca/business/Income_Taxes/Corporation_Income_Tax/tax_credits/film_television.htm

>

> Thank you for taking the time to pass along your comments.

>

> Regards,
>
>
> Kathy Banning, CGA
> Team Leader, Corporate Income Tax
> Income Taxation Branch
> Ministry of Finance
> Phone: 250 356-1275, Fax: 250 356-9243 << mail to:
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>
> -----Original Message-----
> From: S22
> Sent: August-30-11 11:07 AM
> To: MacDiarmid.MLA, Margaret
> Subject: HST defeat and the Film Industry
>
> Dear Dr.MacDiarmid,
>
> Now that the HST has been defeated I'm wondering how the government
> plans to address the issue of tax credits for the film and television
> industry in BC. As you may or may not be aware this is a \$1 Billion
> dollar a year industry in BC and a lot of that money will or has
> already moved to Ontario.
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> I agree in principal to the defeat of the HST not just because it's
> bad for households but because we were lied to as a people about the
> true nature of the tax. Did anybody really believe that corporations
> and businesses were going to pass the savings onto the public? Not I.
>
> Which brings me to my issue. The government didn't address the issue
> of tax credits when Ontario and New York state increased their credits
> saying the HST helped address the issue. Well now what?
>
> Regards,
>
> S.22
>
>
>

Ingledeu, Leanne FIN:EX

From: Saunders, Manna FIN:EX
Sent: Friday, September 16, 2011 2:20 PM
To: Ingledeu, Leanne FIN:EX
Subject: New Wording Requested: 250763 s. 22

Good afternoon, Leanne,

May we request standard wording for the below question in blue regarding GST/PST effects on the film industry?

Thank you,

Manna Saunders
Correspondence Writer/Editor
Ministry of Finance
250.356.8078 (new)

From: S22
Sent: Friday, September 2, 2011 2:28 PM
To: OfficeofthePremier, Office PREM:EX
Cc: S22
Subject: Re: New Message from Christy Clark Premier website

Hello,

Thank you for your email, but you did not answer my question at all. My question was:

My biggest concern is how going back to the GST/PST is going to negatively impact BC's film industry. How can we maintain the film industry and continue to compete against LA and Toronto. I do not want to leave this province but may have to if the film industry dies.

Please respond as soon as you can, answering my question.

Thank you,
S.22

On 2-Sep-11, at 2:21 PM, OfficeofthePremier, Office PREM:EX wrote:

Thank you for your email regarding the results of the HST referendum.

The people of British Columbia have declared their wish to return to the previous practice of collecting PST and GST. It is now time for us to move on.

We have a plan in place to return to the PST as quickly as we responsibly can. Dismantling the BC HST and returning to the PST will take time to do responsibly, and the transition period is expected to take a minimum of 18 months, consistent with the report of the independent panel on the HST. The province needs to have discussions with the federal government, develop complex transitional rules, rewrite provincial tax laws and regulations, and rebuild the capacity to administer the PST. Businesses will need time to readjust their

accounting and administrative systems and prepare to collect a second sales tax.

We want to assure British Columbians that all permanent PST exemptions that existed prior to HST will be again in effect.

We also want to emphasize that government is committed to being a low-tax jurisdiction in Canada. We are committed to maintaining our excellent triple-A credit rating and to meeting our balanced budget target for 2013/14. We will continue our practice of prudent, fiscally responsible government spending and we will continue to focus attention on creating jobs going forward.

Again, thank you for writing.

-----Original Message-----

From: S22
Sent: Friday, August 26, 2011 12:13 PM
To: OfficeofthePremier, Office PREM:EX
Subject: New Message from Christy Clark Premier website

Someone has filled out the form on the Christy Clark Premier website. Below are the details.

Message for: premier@gov.bc.ca

Senders Name: S22

Email Address: S22

Message: Hi Christie,

This morning's news about the banishment of the HST is both shocking and depressing. My biggest concern is how going back to the GST/PST is going to negatively impact BC's film industry.

How can we maintain the film industry and continue to compete against LA and Toronto. I do not want to leave this province but may have to if the film industry dies.

I really would appreciate a response when you are able.

Thank you!

S.22 a very scared BC citizen

Captcha code: S22

User IP Address: S22

Date Submitted: Aug-26-2011 12:12 pm

Ingledeu, Leanne FIN:EX

From: Ingledeu, Leanne FIN:EX
Sent: Monday, October 3, 2011 12:57 PM
To: Salling, Tammy L FIN:EX
Subject: RE: Requesting new response bullets: CLIFF log 250782 S.22

Yes - fine to send to MCU as the standard to reply to concerns about transition back to PST from HST and its impact on film industry.

S.22 and S.22 letters can also be responded to with this.

L.

Leanne Ingledeu | Strategic Advisor, Tax Policy Branch | Ministry of Finance | T (250) 356-5068 |
Leanne.Ingledeu@gov.bc.ca

-----Original Message-----

From: Salling, Tammy L FIN:EX
Sent: Monday, October 3, 2011 9:13 AM
To: Ingledeu, Leanne FIN:EX
Subject: FW: Requesting new response bullets: CLIFF log 250782 S.22

Hi Leanne,

Beth asked that I check with you before forwarding to MCU - please advise if this is now ok to send.

Thank you,

Tammy Salling
Administrative Assistant
Tax Policy Branch
Ministry of Finance
Ph. 250 356-5928

-----Original Message-----

From: Cole, Elizabeth FIN:EX
Sent: Friday, September 30, 2011 7:41 PM
To: Salling, Tammy L FIN:EX
Subject: FW: Requesting new response bullets: CLIFF log 250782 S.22

FYI - I am fine with these to send to MCU along with Leanne's message below but check with her please.
Thanks.

-----Original Message-----

From: Cole, Elizabeth FIN:EX
Sent: Friday, September 30, 2011 6:37 PM
To: Ingledeu, Leanne FIN:EX
Subject: FW: Requesting new response bullets: CLIFF log 250782 S.22

Leanne,

The bullets are attached. I am fine with them so they can be forwarded to MCU.(Unless you want to check with Heather, but these only need ED approval). Please copy Tammy when you send as well.

Thanks.
Beth

-----Original Message-----

From: Ingledew, Leanne FIN:EX
Sent: Thursday, September 29, 2011 5:02 PM
To: Cole, Elizabeth FIN:EX
Subject: FW: Requesting new response bullets: CLIFF log 250782 s.22

Beth - here is the standard letter that MCU can issue when people write in with concerns about going back to the PST and the impact on the film industry.

Please note that this can be the standard and can respond to 250782 s.22 and also 250763 s.22

Leanne

Leanne Ingledew | Strategic Advisor, Tax Policy Branch | Ministry of Finance | T (250) 356-5068 |
Leanne.Ingledew@gov.bc.ca

-----Original Message-----

From: Ellis, Mandy FIN:EX
Sent: Thursday, September 15, 2011 2:29 PM
To: Ingledew, Leanne FIN:EX
Subject: Requesting new response bullets: CLIFF log 250782 s.22

Hi Leanne,

250782 s.22 to CTB for Bullets due to MCU Sept 23rd; final response is due Sept 28th. CLIFF log xref 250582

Requesting new response bullets for below (second) incoming from constituent re film tax credits (specifically, why the Ontario tax credit applies to total costs and BC's only applies to labour). Per the new process, MCU will compile and send response using *TPB ED-approved bullets.

Thank you,

Mandy Ellis
Correspondence Writer/Editor
Ministry of Finance | Performance Management and Corporate Priorities | Minister's Correspondence Unit phone 250 387-8982 | email Mandy.Ellis@gov.bc.ca

-----Original Message-----

From: Leavey, Irene E FIN:EX
Sent: Monday, September 12, 2011 9:48 AM

To: Ellis, Mandy FIN:EX
Cc: Hunter-Friesen, Margaret M FIN:EX; Greig, Elaine FIN:EX
Subject: FW: HST defeat and the Film Industry - CLIFF #250582
Importance: High

Hi

Can you please forward to Tax Policy for their response - See below

thank you.

Irene Leavey
Administrative Assistant
Executive Director's Office
Income Taxation Branch
Phone: 250-356-5090
Fax: 250-356-9243

VISION: Trusted financial and economic leadership for a prosperous province

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Kathy

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> Thank you for taking the time to pass along your comments.

>

> Regards,

>

>

> Kathy Banning, CGA

> Team Leader, Corporate Income Tax

> Income Taxation Branch

> Ministry of Finance

> Phone: 250 356-1275, Fax: 250 356-9243 << mail to:

> Kathy.Banning@gov.bc.ca>>

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> To: MacDiarmid.MLA, Margaret

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> Regards,

>

> S.22

>

>

>

>

Ingledeu, Leanne FIN:EX

From: Ingledeu, Leanne FIN:EX
Sent: Monday, October 3, 2011 1:31 PM
To: Dunham, Karen A FIN:EX
Subject: FW: PST - film industry correspondence

Hi Karen – please find below the standard language/reply in respect of concerns about transition from HST back to PST and the impact on the film industry. This is the language MCU now has for replying to these types of queries.



250782 film-pst
transition bul...

Please call if you would like to discuss.

Kind regards,
Leanne

Leanne Ingledeu | Strategic Advisor, Tax Policy Branch | Ministry of Finance | T (250) 356-5068 | Leanne.Ingledeu@gov.bc.ca

From: Dunham, Karen A FIN:EX
Sent: Wednesday, September 28, 2011 2:01 PM
To: Ingledeu, Leanne FIN:EX
Cc: Scott, Bob FIN:EX; Sharrock, Maija FIN:EX
Subject: PST - film industry correspondence

Hi Leanne. Thanks for our brief conversation about referrals of correspondence to CTPB or Tax Policy re: PST tax breaks to the film industry. Please note we just received a second similar referral.

I will hold all related incoming correspondence, and call you early next week to touch base re: status of approvals on your drafted bullets.

Thanks again,
Karen

Karen Dunham
Policy & Legislative Analyst
Consumer Taxation Programs Branch
Ministry of Finance
Tel. 250.387.3367

Dear [name]:

Thank you for your letter of [date], regarding the impact of transitioning back to the provincial sales tax (PST) on the competitiveness of the British Columbia film and television industry relative to other jurisdictions.

British Columbians have made their decision in the harmonized sales tax (HST) referendum, and government has committed to make the transition back to the PST plus federal goods and services tax (GST) system as responsibly and quickly as possible.

The BC government is in discussions with the federal government about the terms related to the repayment of the \$1.6 billion the Province received in transition assistance when moving to the HST. This repayment, together with the lower revenues and higher administrative costs of the PST, mean there are significant implications for the provincial fiscal plan.

The Standing Committee on Finance and Government Services is undertaking its annual budget consultation process. Government will also be consulting with British Columbians on how to address the fiscal challenges resulting from eliminating the HST and returning to the PST system.

The government appreciates the considerable contribution the film and television industry has made, and continues to make, to British Columbia's economy. The government supports filmmakers, actors and other industry participants through tax credits designed to encourage production activity in British Columbia.

The basic Film Incentive BC Tax Credit for domestic productions provides a 35 per cent credit and the basic Production Services Tax Credit was recently increased to provide a 33 per cent credit, both based on qualified labour costs. Other available credits may increase the amounts that can be claimed, depending upon various factors. Through this suite of tax credits, the film and television industry received an estimated \$200 million from the Government of British Columbia in 2010/11.

The government monitors the credits offered by other jurisdictions and reviews its tax credit programs each year as part of the Budget process in the context of the fiscal situation and government spending priorities. In that annual Budget process, government takes into consideration the suggestions of industry stakeholders.

Thank you for taking the time to write.