



## Information Note Advice to Deputy Minister

Date: August 13, 2019

Cliff #: 37129

Issue: Film Tax Credit Administration – Creative BC

### Background / Facts:

- B.C.'s motion picture production expenditures reached an estimated \$3.2B in 2018/19, consistent with \$3.4B in 2017/18.
- In 2018/19, Creative BC approved 384 tax credit certifications representing \$614M cost to the province. This compares to 452 tax credit certifications representing \$704M in 2017/18.
- Creative BC (formerly BC Film & Media) has administered the province's film and tax credits since 1998, when the program was created.
- Creative BC is an organization incorporated under the *B.C. Societies Act*; it operates with a balanced budget consisting of \$3.415M in annual provincial funding. This is, in part, due to the additional \$3M provided over 3 years in Budget 2018.
- In 2019/20, the organization is also administering an additional year of \$7.5M in Amplify BC funds on behalf of the Province.
- The Ministry of Finance (FIN) regularly looks for opportunities to adjust/refine tax credit structure. Predictability and control of the provincial tax credit costs are of primary concern.
- To address these specific concerns, a pre-certification process, in which productions submit their budgets in advance of B.C. based work, will be implemented in September 2019.
- s.13

### Analysis:

- Creative BC's insights and expertise developed over the years as B.C. government's industry catalyst has been valuable to government and have ensured B.C. stays competitive amongst other jurisdictions in Canada.
- Creative BC's model of offering a range of services, including film commission services and tax credit administration, is comparable to Ontario, Quebec, New York and California. Creative BC acts as a neutral intermediary between government and industry.
- Creative BC's deep knowledge and understanding of the industry enables them to effectively administer the labour-based tax credit programs and enables the organization to identify trends and insights to support/inform their programs and services.
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- Industry values Creative BC's ability to turn around tax credit certifications quickly and efficiently, as it demonstrates the Province's commitment to this sector. s.13

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- s.13 \$3.2B economic contributor that represents over 71,000 jobs in British Columbia.

**Recommendation:**

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**Attachment:** N/A

**Contact:** Amy Schneider, Executive Director, 250-889-3397