

***\*\*Receive 30% on all Eligible Manitoba Spend\*\****



## **Manitoba Film & Video Production**

### **Cost-of-Production Tax Credit**

## **The Highest All-Spend Credit in Canada!**

#### **WHAT IS THE COST-OF-PRODUCTION TAX CREDIT?**

The Manitoba Film & Video Production Cost-of-Production Tax Credit was announced in March 2010 and provides production companies with a 30% fully refundable corporate income tax credit based on all eligible Manitoba expenditures including labour and deemed labour, if applicable.

#### **WHO CAN APPLY?**

Applicants must have a permanent establishment (as defined in the Income Tax Act) in Manitoba, be incorporated in Canada (either federally or provincially), and must be a taxable Canadian corporation primarily carrying on a business that is a film or video production. A minimum 25% of the corporation's T4 Summary must be paid to eligible Manitoba employees for work performed in Manitoba (excluding documentaries).

#### **ARE THERE CONTENT REQUIREMENTS?**

There are no Canada or Manitoba content requirements.

#### **WHAT PROJECTS ARE ELIGIBLE TO APPLY?**

Eligible projects include fully financed television movies, documentaries, feature films, dramatic series, variety, multimedia, animation, children's programming, music programming and informational series, as well as digital and CD-ROM production.

#### **WHAT ARE THE ELIGIBLE MANITOBA EXPENDITURES?**

Eligible expenditures include Manitoba labour, deemed labour, Manitoba service contract expenditures, and Manitoba expenditures for the rental or acquisition of tangible property. Living expenses (flights and hotels with exceptions), insurance expenses, and financing expenses are not eligible.

#### **WHAT IF I NEED TO BRING IN A CREW?**

Where a non-resident is hired due to lack of available, willing and/or qualified Manitoba crew, his/her salary may be deemed an eligible labour expenditure provided that at least one Manitoba resident receives training on the production for each non-resident being deemed.

#### **IS THERE A CAP ON DEEMED SALARIES?**

Yes, there is a cap. This cap is determined based on the amount of eligible Manitoba labour expenditures. Deemed salaries will be capped at 30% (10%) of total eligible Manitoba salaries provided that at least two (one) Manitoba residents are trained per non-resident.

#### **WHAT ABOUT SHARE OWNERSHIP?**

Outside share ownership of the applicant company does not affect the ability to claim the credit.

#### **WHAT ABOUT CO-PRODUCTIONS?**

The Manitoba Cost-of-Production Tax Credit is designed to encourage outside collaboration with non-Manitoba producers.

#### **WHAT ABOUT COPYRIGHT/CORPORATE CAPS?**

No copyright ownership is required and there are no corporate caps regarding the number of applications or the amount of tax credit available.

#### **WHAT IF I HAVE TO FILM OUTSIDE OF MANITOBA?**

As this credit is based on eligible Manitoba expenditures, filming outside of the province is allowable within the spirit and intent of the Act, recognizing that certain productions require shooting outside Manitoba; however, only Manitoba expenditures will be eligible.

#### **WHAT ABOUT THE FEDERAL TAX CREDIT?**

The Manitoba Cost-of-Production Tax Credit is compatible with the Canadian Film or Video Production Tax Credit (CPTC) and the Film or Video Production Services Tax Credit (PSTC), which are administered through the Canadian Audio-Visual Certification Office (CAVCO).

Tel: (888) 433-2200 or [www.pch.gc.ca/cavco](http://www.pch.gc.ca/cavco)

#### **WHAT ABOUT THE MANITOBA FILM & VIDEO PRODUCTION COST-OF-SALARIES TAX CREDIT?**

Production companies have the option to apply for either the 30% Cost-of-Production Tax Credit or use the existing up to 65% Cost-of-Salaries Tax Credit. Once the production is complete and all of the expenses have been paid, companies will have to choose which tax credit is the most beneficial.

**Manitoba Film and Sound Recording Development Corporation (MANITOBA FILM & MUSIC) is a statutory corporation funded by the Province of Manitoba through the Department of Sport, Culture and Heritage.**



MANITOBA | Musique et Film  
Film & Music | MANITOBA

## Manitoba Film & Video Production Cost-of-Production Tax Credit

### Tax credit calculation if deeming is capped at 30%

Total Eligible Manitoba Labour	Total Eligible Manitoba Non-Labour (assuming 50/50 split between labour and non-labour)	Deeming Cap = maximum 30% of Total Eligible Manitoba Labour or the actual deemed salaries, whichever is the lesser	Total Eligible Manitoba Expenditures	Potential Manitoba 30% Cost-of-Production Tax Credit
\$100,000	\$100,000	\$30,000	\$230,000	\$69,000
\$200,000	\$200,000	\$60,000	\$460,000	\$138,000
\$300,000	\$300,000	\$90,000	\$690,000	\$207,000
\$400,000	\$400,000	\$120,000	\$920,000	\$276,000
\$500,000	\$500,000	\$150,000	\$1,150,000	\$345,000
\$600,000	\$600,000	\$180,000	\$1,380,000	\$414,000
\$700,000	\$700,000	\$210,000	\$1,610,000	\$483,000
\$800,000	\$800,000	\$240,000	\$1,840,000	\$552,000
\$900,000	\$900,000	\$270,000	\$2,070,000	\$621,000
\$1,000,000	\$1,000,000	\$300,000	\$2,300,000	\$690,000
\$1,250,000	\$1,250,000	\$375,000	\$2,875,000	\$862,500
\$1,500,000	\$1,500,000	\$450,000	\$3,450,000	\$1,035,000
\$1,750,000	\$1,750,000	\$525,000	\$4,025,000	\$1,207,500
\$2,000,000	\$2,000,000	\$600,000	\$4,600,000	\$1,380,000
\$2,250,000	\$2,250,000	\$675,000	\$5,175,000	\$1,552,500
\$2,500,000	\$2,500,000	\$750,000	\$5,750,000	\$1,725,000
\$2,750,000	\$2,750,000	\$825,000	\$6,325,000	\$1,897,500
\$3,000,000	\$3,000,000	\$900,000	\$6,900,000	\$2,070,000
\$3,250,000	\$3,250,000	\$975,000	\$7,475,000	\$2,242,500
\$3,500,000	\$3,500,000	\$1,050,000	\$8,050,000	\$2,415,000
\$3,750,000	\$3,750,000	\$1,125,000	\$8,625,000	\$2,587,500
\$4,000,000	\$4,000,000	\$1,200,000	\$9,200,000	\$2,760,000
\$4,250,000	\$4,250,000	\$1,275,000	\$9,775,000	\$2,932,500
\$4,500,000	\$4,500,000	\$1,350,000	\$10,350,000	\$3,105,000
\$4,750,000	\$4,750,000	\$1,425,000	\$10,925,000	\$3,277,500
\$5,000,000	\$5,000,000	\$1,500,000	\$11,500,000	\$3,450,000

\* Deemed salaries are capped at 30% of total eligible Manitoba salaries if at least two Manitoba residents are trained per non-resident (the cap is 10% if only one Manitoba resident is trained per non-resident). The training ratio of eligible non-resident to resident trainee is calculated based on the average for the production

NOTE: The tax credit percentages represented here do NOT reflect the additional value of the Federal Production Services Tax Credit Program which is the Total Canadian Labour less the Provincial Tax Credit (calculated on the Eligible Manitoba Labour only) multiplied by 16%. For more information on the Federal Tax Credit, please contact CAVCO at 888-433-2200 or [www.pch.gc.ca/cavco](http://www.pch.gc.ca/cavco)

Dated: August 2017