



****Receive up to 38% on Eligible Manitoba Spend****

Manitoba Film & Video Production

Cost-of-Production Tax Credit

The Most Competitive All-Spend Credit in Canada!

DETAILS:

Enhance your Incentives! Increase your tax credit to **38%** on eligible Manitoba expenditures including eligible Manitoba labour by qualifying for the Manitoba production company bonus!

- * Base rate of 30%, calculated on eligible Manitoba expenditures, including eligible Manitoba labour.
- * NEW Manitoba production company bonus: Increase your tax credit by 8% by co-producing with an eligible Manitoba production company. This bonus is applicable for eligible productions where the principal photography commences after May 31, 2020. (See details on requirements for the eligible Manitoba production company below)

And it gets better:

With the added value of the Canadian Film or Video Production Services Tax Credit (PSTC), the overall value of the up to 38% on eligible Manitoba expenditures including eligible Manitoba labour becomes:

- * 47.9% on eligible Manitoba labour.
AND
- * 38% on eligible Manitoba expenditures.

The up to 38% Cost-of-Production tax credit is an ALTERNATIVE to the up to 65% Cost-of-Salaries tax credit which is also available, but solely on Eligible Manitoba Labour Expenditures

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 fully refundable corporate income tax credit based on all eligible Manitoba expenditures including labour and deemed labour, if applicable. The base credit is 30% and if partnered with an eligible Manitoba production company an additional 8% bonus may apply, increasing your tax credit to 38% on eligible Manitoba expenditures, including eligible Manitoba labour.

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).

WHAT QUALIFIES AS AN ELIGIBLE MANITOBA PRODUCTION COMPANY?

The Manitoba production company must have a permanent establishment (as defined in the Income Tax Act) in Manitoba and be a taxable Canadian corporation incorporated under the laws of Manitoba primarily carrying on a business that is a film or video production. One or more eligible individuals (i.e. who reside in Manitoba for tax purposes on December 31 of the taxation year of production or of the immediately preceding taxation year) must own shares in the eligible applicant company to which are attached more than 50% of the votes for the election of directors of the corporation. A minimum 25% of the Manitoba corporation's T4 Summary must be paid to eligible Manitoba employees in the taxation year or in the immediately preceding taxation year.

To qualify for the additional 8% tax credit the Manitoba production company must own some of voting shares of the eligible applicant company during its entire taxation year. If the eligible production extends over multiple taxation years, then the ownership requirement applies to all applicable taxation years of the production. A screen credit requirement for the Manitoba production company also applies.

HOW IS A PERMANENT ESTABLISHMENT DEFINED IN THE INCOME TAX ACT OF MANITOBA?

The income tax act defines "permanent establishment" with three criteria. A production can satisfy the requirements by having production trailers/office space on site ("fixed place of business"), having producers on site ("employee or agent established in a particular place with a general authority to contract on behalf of the corporation"), and having production equipment on site ("uses substantial machinery or equipment in a particular place in a province").

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 web-based 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 that are reasonable in the circumstance and directly attributable to the production. Examples of ineligible expenses include but are not limited to, per diems, financing expenses, living expenses (notwithstanding hotel accommodations up to \$300 per night per unit), airfare and travel outside of Manitoba, and promotional expenses.

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 it is for a below-the-line technical position, at least one Manitoba resident receives training on the production for each non-resident being deemed and is approved by the applicable labour organization(s) or approved authority per the Manitoba legislation.

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% of total eligible Manitoba salaries provided that at least two Manitoba residents are trained per non-resident or 10% of total eligible Manitoba salaries provided that at least one Manitoba resident is trained per non-resident.

WHAT ABOUT SHARE OWNERSHIP?

Outside share ownership of the eligible applicant company does not affect the ability to claim the base 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 may 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.canada.ca/en/canadian-heritage/services/funding/cavco-tax-credits.html

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

Production companies have the option to apply for either the up to 38% Cost-of-Production Tax Credit calculated on eligible Manitoba expenditures, including eligible Manitoba labour OR the up to 65% Cost-of-Salaries Tax Credit calculated on eligible Manitoba labour. 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 (d/b/a MANITOBA FILM & MUSIC) is a statutory corporation generously funded by the Province of Manitoba through the Department of Sport, Culture and Heritage.

FOR ILLUSTRATIVE PURPOSES ONLY. THIS TABLE IS BASED ON SIGNIFICANT ASSUMPTIONS AND SIMPLIFICATIONS.

NOTE: This table is to be used to provide a basic understanding of tax credit calculations and does not reflect all details required for calculation. For complete details please see the Manitoba Film and Video Production Credit Guidelines. In the event of a discrepancy between the guidelines and the Manitoba Tax Credit Legislation the latter shall prevail.



Manitoba Film & Video Production Cost-Of-Production Tax Credit Calculations

Total Eligible Manitoba Production Cost	MB COST-OF-PRODUCTION TAX CREDIT CALCULATIONS FOR ELIGIBLE MB LABOUR EXPENDITURES						WITH THE FEDERAL PRODUCTION SERVICES TAX CREDIT (PSTC) (ASSUMING 30% BASE CREDIT ONLY AND ALL DEEMED LABOUR IS CANADIAN)			WITH THE FEDERAL PRODUCTION SERVICES TAX CREDIT (PSTC) (ASSUMING ELIGIBILITY FOR 8% MB PRODUCTION COMPANY BONUS AND ALL DEEMED LABOUR IS CANADIAN)			MB COST-OF-PRODUCTION TAX CREDIT CALCULATIONS ON ELIGIBLE MB NON-LABOUR EXPENDITURES			TOTAL COMBINED MANITOBA COST-OF-PRODUCTION AND FEDERAL PSTC TAX CREDIT	
	Eligible MB Labour as a component of total eligible MB production cost	Eligible Non-Resident (Deemed) Labour (assuming the deeming cap of 30% of eligible MB labour has been reached)	Total Eligible MB Labour Expenditures (assuming the deeming cap of 30% has been reached)	Value of 30% Base Credit Calculated on Total Eligible MB Labour (including the value of deemed labour)	Value of 8% MB Production Company Bonus Calculated on Total Eligible MB Labour (including the value of deemed labour)	Value of Maximum 38% Tax Credit on Eligible Labour (assuming eligibility for the MB Production Company Bonus)	Eligible Canadian Labour Expenditures	Value of 16% PSTC	Total Value of Combined MB and Federal Tax Credit on Labour	Eligible Canadian Labour Expenditures	Value of 16% PSTC	Total Value of Combined MB and Federal Tax Credit on Labour	Eligible MB Non-Labour as a component of total eligible MB production cost	Value of 30% Base Credit Calculated on Total Eligible MB Non-Labour	Value of Maximum 38% Tax Credit on Eligible Non-Labour (assuming eligibility for the MB Production Company Bonus)	Total Value of Combined 30% Base Credit on MB Labour and Non-Labour PLUS PSTC of 16%	Total Value of Combined 38% Base Credit on MB Labour and Non-Labour PLUS PSTC of 16%
	50% of eligible MB production cost	30% of eligible MB labour	Eligible MB Labour + Eligible Deemed Labour	30% of Total Eligible MB Labour (including the value of deemed labour)	8% of Total Eligible MB Labour (including the value of deemed labour)	38% of Total Eligible MB Labour (including the value of deemed labour)	Total Eligible MB Labour subtract the Value of MB Base Tax Credit on LABOUR Only	16% of Eligible Canadian Labour Expenditures	Base Credit of 30% on MB Labour PLUS PSTC of 16%	Total Eligible MB Labour subtract the max value of 38% MB Tax Credit on LABOUR Only	16% of Eligible Canadian Labour Expenditures	Max Credit of 38% on MB Labour PLUS PSTC of 16%	50% of eligible MB production cost	30% of Total Eligible MB Non-Labour	38% of Total Eligible MB Non-Labour	30% of eligible MB labour and non-labour PLUS PSTC of 16% assuming base credit of 30% only	38% of eligible MB labour and non-labour PLUS PSTC of 16% assuming base max credit of 38%
\$100,000	\$50,000	\$15,000	\$65,000	\$19,500	\$5,200	\$24,700	\$45,500	\$7,280	\$26,780	\$40,300	\$6,448	\$31,148	\$50,000	\$15,000	\$19,000	\$41,780	\$50,148
\$200,000	\$100,000	\$30,000	\$130,000	\$39,000	\$10,400	\$49,400	\$91,000	\$14,560	\$53,560	\$80,600	\$12,896	\$62,296	\$100,000	\$30,000	\$38,000	\$83,560	\$100,296
\$300,000	\$150,000	\$45,000	\$195,000	\$58,500	\$15,600	\$74,100	\$136,500	\$21,840	\$80,340	\$120,900	\$19,344	\$93,444	\$150,000	\$45,000	\$57,000	\$125,340	\$150,444
\$400,000	\$200,000	\$60,000	\$260,000	\$78,000	\$20,800	\$98,800	\$182,000	\$29,120	\$107,120	\$161,200	\$25,792	\$124,592	\$200,000	\$60,000	\$76,000	\$167,120	\$200,592
\$500,000	\$250,000	\$75,000	\$325,000	\$97,500	\$26,000	\$123,500	\$227,500	\$36,400	\$133,900	\$201,500	\$32,240	\$155,740	\$250,000	\$75,000	\$95,000	\$208,900	\$250,740
\$600,000	\$300,000	\$90,000	\$390,000	\$117,000	\$31,200	\$148,200	\$273,000	\$43,680	\$160,680	\$241,800	\$38,688	\$186,888	\$300,000	\$90,000	\$114,000	\$250,680	\$300,888
\$700,000	\$350,000	\$105,000	\$455,000	\$136,500	\$36,400	\$172,900	\$318,500	\$50,960	\$187,460	\$282,100	\$45,136	\$218,036	\$350,000	\$105,000	\$133,000	\$292,460	\$351,036
\$800,000	\$400,000	\$120,000	\$520,000	\$156,000	\$41,600	\$197,600	\$364,000	\$58,240	\$214,240	\$322,400	\$51,584	\$249,184	\$400,000	\$120,000	\$152,000	\$334,240	\$401,184
\$900,000	\$450,000	\$135,000	\$585,000	\$175,500	\$46,800	\$222,300	\$409,500	\$65,520	\$241,020	\$362,700	\$58,032	\$280,332	\$450,000	\$135,000	\$171,000	\$376,020	\$451,332
\$1,000,000	\$500,000	\$150,000	\$650,000	\$195,000	\$52,000	\$247,000	\$455,000	\$72,800	\$267,800	\$403,000	\$64,480	\$311,480	\$500,000	\$150,000	\$190,000	\$417,800	\$501,480
\$1,500,000	\$750,000	\$225,000	\$975,000	\$292,500	\$78,000	\$370,500	\$682,500	\$109,200	\$401,700	\$604,500	\$96,720	\$467,220	\$750,000	\$225,000	\$285,000	\$626,700	\$752,220
\$2,000,000	\$1,000,000	\$300,000	\$1,300,000	\$390,000	\$104,000	\$494,000	\$910,000	\$145,600	\$535,600	\$806,000	\$128,960	\$622,960	\$1,000,000	\$300,000	\$380,000	\$835,600	\$1,002,960
\$2,500,000	\$1,250,000	\$375,000	\$1,625,000	\$487,500	\$130,000	\$617,500	\$1,137,500	\$182,000	\$669,500	\$1,007,500	\$161,200	\$778,700	\$1,250,000	\$375,000	\$475,000	\$1,044,500	\$1,253,700
\$3,000,000	\$1,500,000	\$450,000	\$1,950,000	\$585,000	\$156,000	\$741,000	\$1,365,000	\$218,400	\$803,400	\$1,209,000	\$193,440	\$934,440	\$1,500,000	\$450,000	\$570,000	\$1,253,400	\$1,504,440
\$3,500,000	\$1,750,000	\$525,000	\$2,275,000	\$682,500	\$182,000	\$864,500	\$1,592,500	\$254,800	\$937,300	\$1,410,500	\$225,680	\$1,090,180	\$1,750,000	\$525,000	\$665,000	\$1,462,300	\$1,755,180
\$4,000,000	\$2,000,000	\$600,000	\$2,600,000	\$780,000	\$208,000	\$988,000	\$1,820,000	\$291,200	\$1,071,200	\$1,612,000	\$257,920	\$1,245,920	\$2,000,000	\$600,000	\$760,000	\$1,671,200	\$2,005,920
\$4,500,000	\$2,250,000	\$675,000	\$2,925,000	\$877,500	\$234,000	\$1,111,500	\$2,047,500	\$327,600	\$1,205,100	\$1,813,500	\$290,160	\$1,401,660	\$2,250,000	\$675,000	\$855,000	\$1,880,100	\$2,256,660
\$5,000,000	\$2,500,000	\$750,000	\$3,250,000	\$975,000	\$260,000	\$1,235,000	\$2,275,000	\$364,000	\$1,339,000	\$2,015,000	\$322,400	\$1,557,400	\$2,500,000	\$750,000	\$950,000	\$2,089,000	\$2,507,400
\$5,500,000	\$2,750,000	\$825,000	\$3,575,000	\$1,072,500	\$286,000	\$1,358,500	\$2,502,500	\$400,400	\$1,472,900	\$2,216,500	\$354,640	\$1,713,140	\$2,750,000	\$825,000	\$1,045,000	\$2,297,900	\$2,758,140
\$6,000,000	\$3,000,000	\$900,000	\$3,900,000	\$1,170,000	\$312,000	\$1,482,000	\$2,730,000	\$436,800	\$1,606,800	\$2,418,000	\$386,880	\$1,868,880	\$3,000,000	\$900,000	\$1,140,000	\$2,506,800	\$3,008,880
\$7,000,000	\$3,500,000	\$1,050,000	\$4,550,000	\$1,365,000	\$364,000	\$1,729,000	\$3,185,000	\$509,600	\$1,874,600	\$2,821,000	\$451,360	\$2,180,360	\$3,500,000	\$1,050,000	\$1,330,000	\$2,924,600	\$3,510,360
\$7,500,000	\$3,750,000	\$1,125,000	\$4,875,000	\$1,462,500	\$390,000	\$1,852,500	\$3,412,500	\$546,000	\$2,008,500	\$3,022,500	\$483,600	\$2,336,100	\$3,750,000	\$1,125,000	\$1,425,000	\$3,133,500	\$3,761,100
\$8,000,000	\$4,000,000	\$1,200,000	\$5,200,000	\$1,560,000	\$416,000	\$1,976,000	\$3,640,000	\$582,400	\$2,142,400	\$3,224,000	\$515,840	\$2,491,840	\$4,000,000	\$1,200,000	\$1,520,000	\$3,342,400	\$4,011,840
\$8,500,000	\$4,250,000	\$1,275,000	\$5,525,000	\$1,657,500	\$442,000	\$2,099,500	\$3,867,500	\$618,800	\$2,276,300	\$3,425,500	\$548,080	\$2,647,580	\$4,250,000	\$1,275,000	\$1,615,000	\$3,551,300	\$4,262,580
\$9,000,000	\$4,500,000	\$1,350,000	\$5,850,000	\$1,755,000	\$468,000	\$2,223,000	\$4,095,000	\$655,200	\$2,410,200	\$3,627,000	\$580,320	\$2,803,320	\$4,500,000	\$1,350,000	\$1,710,000	\$3,760,200	\$4,513,320
\$9,500,000	\$4,750,000	\$1,425,000	\$6,175,000	\$1,852,500	\$494,000	\$2,346,500	\$4,322,500	\$691,600	\$2,544,100	\$3,828,500	\$612,560	\$2,959,060	\$4,750,000	\$1,425,000	\$1,805,000	\$3,969,100	\$4,764,060
\$10,000,000	\$5,000,000	\$1,500,000	\$6,500,000	\$1,950,000	\$520,000	\$2,470,000	\$4,550,000	\$728,000	\$2,678,000	\$4,030,000	\$644,800	\$3,114,800	\$5,000,000	\$1,500,000	\$1,900,000	\$4,178,000	\$5,014,800