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## NEWS RELEASE

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Ministry of Finance

### **TAX CREDITS FOR FILM AND INTERACTIVE DIGITAL MEDIA**

VANCOUVER – A proposed new tax credit for digital media, combined with changes to provincial film tax credits, recognizes the convergence of these sectors and supports the continued growth, development and competitiveness of B.C.’s video game and film sectors and the related employment they provide, Finance Minister Colin Hansen announced today.

“This is a made-in-B.C. incentive package that recognizes convergence is taking place within the film, television and the increasingly important video game and animation sectors,” said Hansen. “We are responding to industry needs and recognize that film, television, animation, and visual effects companies contribute over a billion dollars annually to the B.C. economy and generate thousands of jobs.”

Subject to approval by the legislature, the planned tax measures include:

- New BC Interactive Digital Media tax credit for video game development of 17.5 per cent of qualifying B.C. labour costs.
- Production Services Tax Credit on labour costs for foreign productions increased to 33 per cent from 25 per cent.
- Digital Animation or Visual Effects tax credit bonus increased to 17.5 per cent from 15 per cent.
- Qualified B.C. labour expenditures cap increased to 60 per cent from 48 per cent of production costs.

It is proposed that the film tax credit changes be effective for productions with principal photography that begin after Feb. 28, 2010. The BC Interactive Digital Media tax credit will be effective for qualifying video game development projects that begin after Aug. 31, 2010.

“Our changes will promote an increase in B.C.-based production for these dynamic and rapidly changing sectors,” said Tourism, Culture and the Arts Minister Kevin Krueger. “They will serve to help keep B.C. at the forefront of the North American film and television industry, while providing a significant boost for video game production in our province.”

The enhancements to the film tax credits will help B.C. compete internationally. The tax rate changes, coupled with B.C.’s other advantages including a highly skilled and well-trained workforce, means B.C. will continue to be a leading and competitive production location.

B.C. is the third-largest film and television production centre in North America, after Los Angeles and New York. In 2008, a total of 260 productions were shot in B.C. This included 65 feature films, 56 television series (dramatic, documentary and lifestyle/reality), 102 television projects (TV movies, mini-series, pilots, shorts and documentaries) and 37 animated series or projects.

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