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## Entertainment Law

January 21, 2005

### British Columbia Government Announces Its Support of the BC Film Industry

On January 20, 2005, Finance Minister Colin Hansen and Premier Gordon Campbell announced the following BC Film tax credit rate increases for foreign and domestic productions, respectively:

1. An increase in the rate of the British Columbia Film Production Services Tax Credit from 11% to **18%** of eligible labour costs; and
2. An increase in the rate of the Film Incentive BC from 20% to **30%** of eligible labour costs.

The Government intends to introduce legislation in February, as part of its 2005 budget, to reflect these changes. The higher tax credit rates, which match the tax credit rate increases recently announced by the Government of Ontario, are effective January 1, 2005 and continue until March 31, 2006, during which time the Ministry of Small Business and Economic Development will undertake a detailed review of the longer term impacts of using tax credits to encourage film production. The Ministry also intends to work with the BC film industry to develop strategies to ensure the industry's continued strength in the face of an increasingly competitive North American market for film production.

According to Finance Minister Hansen, "The film industry is an important and vibrant part of our economy. The tax credit changes we are proposing today are just one part of a larger effort to ensure British Columbia remains one of the best places in the world for film production".

For additional information on the new tax credit rate increases, please visit the BC Film website at [www.bcfilm.bc.ca](http://www.bcfilm.bc.ca) or contact a member of our Entertainment Law Group listed below.

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