

Canadian Animation and Digital Media Incentives

August 2014

EL = Eligible Labour Costs

ELNL = Eligible Labour and Non-Labour Costs

PROVINCIAL ANIMATION INCENTIVES *

British Columbia Digital Animation or Visual Effects Tax Credit
www.creativebc.com 17.5% of EL

Ontario Computer Animation and Special Effects Tax Credit
www.omdc.on.ca 20% of EL

Quebec Computer Animation and Special Effects Tax Credit
www.sodec.gouv.qc.ca 16% tax credit enhancement of EL for claims related to Quebec Production Services Tax Credit or Quebec Film and Television Production Tax Credit

DIGITAL MEDIA INCENTIVES **

Canada Media Fund: Experimental Funding
www.cmf-fmc.ca Up to 75% of ELNL (capped at \$1,000,000)

Canada Media Fund: Convergent Digital Media Incentive
www.cmf-fmc.ca Up to 75% of ELNL (capped at \$400,000)

The Bell Fund
www.bellfund.ca Up to 75% of ELNL (capped at \$50,000 for development and design of new projects and \$250,000 for the production of new projects)

British Columbia Investment Capital Program Tax Credit (New Media Venture Capital)
www.mit.gov.bc.ca 30% of the investment amount for corporations (non-refundable); 30% of the investment amount for individuals (refundable, capped at \$60,000/year)

British Columbia Interactive Digital Media Tax Credit
www.creativebc.com 17.5% of EL

Ontario Interactive Digital Media Tax Credit
www.omdc.on.ca 35 - 40% of ELNL

Ontario Interactive Digital Media Fund
www.omdc.on.ca Up to 50% of ELNL (capped at \$150,000)

Ontario Export Fund
www.omdc.on.ca Up to 50% of ELNL (capped at \$12,000 per year)

Quebec Production of Multimedia Titles Tax Credit
www.investquebec.com Category 1: 24% of EL with 6% bonus if French language versioning

Category 2: 21% of EL with no French versioning bonus

Nova Scotia Digital Media Tax Credit
www.novascotia.ca Lesser of 50% of EL or 25% of ELNL

Manitoba Interactive Digital Media Tax Credit
www.gov.mb.ca/stem 40% of EL (capped at \$500,000)

New Brunswick Digital Media Development Program
www.newbrunswick.ca 30% of EL (capped at \$500,000)

Prince Edward Island Video Game Labour Rebate
www.gameplan.ca 30% of EL

* In addition to the specialized animation incentives described here, an animation production is also eligible for the Canadian film incentives described in our publication "Canadian Film Incentives: The Reel Deal". These incentives are equally available to both animated and live action film and television productions.

** Digital media includes various types of interactive media, such as video games, online games and podcasts. A number of the digital media incentives described here have certain restrictions regarding the content of digital media, such as restrictions on violence in video games.

Goodmans' Entertainment Law Group

Goodmans is recognized worldwide as a leading Canadian entertainment law firm. It is "most frequently recommended" according to the 2014 Canadian Legal Lexpert Directory. We have lawyers exclusively practising entertainment and communications law, specializing in film and television, new media and book publishing.

Always Ready to Talk Film

We assist our foreign clients who are producing on location in Canada by advising them on Canadian tax and legal issues such as film tax credits and Canadian withholding tax, preparing talent contracts, dealing with Canadian guilds and unions and advising on Canadian foreign investment rules and domestic regulatory requirements.

For our Canadian clients, in addition to the services described above, we also assist with government funding applications, negotiating international co-productions, arranging Canadian content tax credit applications and assisting in sales to distributors and broadcasters in Canada and abroad. Our entertainment lawyers also represent several noted Canadian authors and literary agencies in their negotiations with book publishers and packagers as well as adaptation of literary works to film.

Goodmans represents a large cross-section of major North American film, television, digital media and publishing companies, and many individual directors, authors and screenwriters, actors and film and television personalities. Our foreign clients include NBC Universal, Random House, Fox, Ted Rogers Company, Tornante, Little Airplane, BBC America, AMC, Universal Pictures International, Lagardère, Live Nation,

Key Brand, Comcast, Black Bear Pictures, CORE Media Group, CBS, Original Productions, Argonon, Participant Media Endemol, TNT, Out of the Blue, Paramount, Showtime, Smithsonian Channel, Disney ABC Cable, Working Title, Discovery, Nickelodeon, VH1, Dreamworks, Starz, Cartoon Network, Classic Media, RH1, Spike TV, Scholastic, MTV Networks, Comerica Bank, HSBC, Natexis Banques Populaires, Imperial Capital Bank, US Bank, CIT Financial, Bank of Ireland, Citi National Bank and New Bridge Film Capital.

Our domestic clients include CTV, Cineplex, Insight Productions, Frantic Films, Shaftesbury, Nelson Education, EntertainmentOne, The Stratford Festival, Canadian Film Centre, The Historica-Dominion Institute, Urban Post, Temple Street Productions, SFA Productions, Arc Productions, Toonbox Entertainment, 90th Parallel, Export Development Canada, Numedia Pictures, Rogers Telefund, Royal Bank, OMERS, CIBC, Independent Film Financing, Canadian Screenwriters Collection Society, Westwood Creative Artists and the Writers Guild of Canada. In the sports field, Goodmans represents Maple Leaf Sports and Entertainment (which owns the Toronto Maple Leafs, Toronto Raptors and Toronto FC), Insight Sports and the NHL Players Association among others.

For more information on Goodmans' Entertainment Group, visit goodmans.ca or contact:

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