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## Entertainment Law

March 11, 2005

### Nova Scotia Announces Increases To The Nova Scotia Film Industry Tax Credit

On March 8, 2005, Nova Scotia Premier John Hamm announced that the Nova Scotia Government has extended the province's film tax credit for an additional ten years. The Government also announced that it is increasing the tax credit as follows:

1. For productions shooting in downtown Halifax Regional Municipality, an increase in the rate of the tax credit from 30% to **35%** of eligible wages or labour paid by eligible corporations to Nova Scotia residents, up to a maximum of 15% of the total eligible production budget; and
2. For productions shooting in areas 30 kilometres or more from the city core, an increase in the rate of the tax credit from 35% to **40%** of eligible wages or labour paid by eligible corporations to Nova Scotia residents, up to a maximum of 17.5% of the total eligible production budget.
3. A new frequent-film bonus of **5%** for companies that shoot two projects in the province over a two-year period.

According to Premier Hamm, "The investment guarantees that Nova Scotia will remain an attractive option for new productions and that our regulatory and tax climate will continue to match our abundant natural advantages in location, community support, and technical expertise." Premier Hamm added that the Government is "building on a spirit of long-term vision and co-operation that has made Nova Scotia a competitive alternative in an increasingly crowded field."

The cost of the enhancements is expected to be approximately \$1.5 million, which the Government believes will be returned to the province in personal tax revenues and spin-offs.

To qualify for the tax credit the applicant production company must be incorporated under the laws of Nova Scotia, have a permanent establishment in Nova Scotia, pay at least 25% of salaries and wages in connection with the production in Nova Scotia to Nova Scotia residents, and be registered by the Nova Scotia Film Development Corporation as producing an eligible film.

For additional information on the new tax credit rate increases please visit the Government of Nova Scotia's website at [www.gov.ns.ca](http://www.gov.ns.ca) or contact a member of our Entertainment Law Group listed below.

#### Toronto

**David B. Zitzerman**

[dzitzerman@goodmans.ca](mailto:dzitzerman@goodmans.ca) 416.597.4172

**Michael A. Levine**

[mlevine@goodmans.ca](mailto:mlevine@goodmans.ca) 416.597.4132

**Carolyn P. Stamegna**

[cstamegna@goodmans.ca](mailto:cstamegna@goodmans.ca) 416.597.6250

**Hilary Goldstein**

[hgoldstein@goodmans.ca](mailto:hgoldstein@goodmans.ca) 416.597.6290

**Tara Parker**

[tparker@goodmans.ca](mailto:tparker@goodmans.ca) 416.597.4181

**Samantha Traub**

[straub@goodmans.ca](mailto:straub@goodmans.ca) 416.597.5493

**Mitchell Sherman**

[msherman@goodmans.ca](mailto:msherman@goodmans.ca) 416.597.4189

#### Vancouver

**Joel Guralnick**

[jguralnick@goodmans.ca](mailto:jguralnick@goodmans.ca) 604.608.4570