

Goodmans^{LLP} Update

Barristers & Solicitors

Toronto / Vancouver / Hong Kong

goodmans.ca

Entertainment Law

January 5, 2005

Quebec Announces Increase to the Quebec Refundable Tax Credit for Film or Television Production Services

On December 30, 2004, the Quebec Minister of Finance, the Honourable Yves Séguin, on behalf of the Quebec Government, announced an increase in the rate of the Quebec Refundable Tax Credit for Film or Television Production Services from **11%** to **20%** of eligible Quebec labour costs.

The new increased rate will be effective on Quebec labour expenditures from December 31, 2004.

The increased tax credit is aimed at boosting the province's film industry which has been hit by the rising Canadian dollar and increased competition from other jurisdictions.

According to Finance Minister, Yves Séguin, "This rapid intervention reflects the government's desire to maintain Quebec's position as an ideal shooting location for foreign producers."

The increase to the Quebec Refundable Tax Credit for Film or Television Production Services follows the recently announced increase to the Ontario Film and Television Tax Credit from **20%** to **30%** and the Ontario Production Services Tax Credit from **11%** to **18%** as described in the Goodmans Update dated December 21, 2004.

For additional information on the new tax credit rate increase please visit the Quebec Ministry of Finance website at www.gouv.qc.ca or contact a member of our Entertainment Law Group listed below.

Toronto

David B. Zitzer

dzitzer@goodmans.ca 416.597.4172

Michael A. Levine

mlevine@goodmans.ca 416.597.4132

Carolyn P. Stamegna

cstamegna@goodmans.ca 416.597.6250

Hilary Goldstein

hgoldstein@goodmans.ca 416.597.6290

Tara Parker

tparker@goodmans.ca 416.597.4181

Samantha Traub

straub@goodmans.ca 416.597.5493

Mitchell Sherman

msherman@goodmans.ca 416.597.4189

Vancouver

Joel Guralnick

jguralnick@goodmans.ca 604.608.4570

All Updates are available at www.goodmans.ca. If you would prefer to receive this client Update by e-mail, require additional copies or would like to inform us of a change of address, please e-mail: updates@goodmans.ca. This Update is intended to provide general comment only and should not be relied upon as legal advice. © Goodmans LLP, 2005.