



## Finance & Treasury Board

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### Clarification on July 1<sup>st</sup> 2015 – Film and Television Production for Film Industry Tax Credit

April 24, 2015

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The current Nova Scotia Film Industry Tax Credit (FITC) will end on June 30, 2015 for film and television production. On July 1, 2015 a new Nova Scotia Film and Television Production Incentive Fund will begin.

A separate clarification on animation will be provided in the near future, further to consultation with the industry.

For **Part B applications**, the FITC guidelines state:

“An eligible corporation must apply for the credit within thirty months of the end of taxation year that expenses for an eligible film were incurred.”

With the proposed changes:

- All productions will continue to have 30 months from the end of the taxation year in which the expenditures were made to file their applications.
- Productions that commence principal photography before July 1, 2015 will receive the tax credit based on current rules.

**Principal photography** is a well-recognized term in the screen-based industry and generally means the phase of film production in which the movie is filmed, with actors on set and cameras rolling.

The Department of Finance & Treasury Board will use the following Canadian Audio-Visual Certification Office (CAVCO) definition to determine when principal photography begins:

“The phase of film production during which the movie is actually shot, as distinct from pre-production and post-production. Principal photography begins with the first day of shooting of significant scenes which involve the main photography unit, e.g. in drama, scenes with actors rather than simple establishing shots. For animation, it is specified as being the beginning of key animation.”

**Part A applications** are optional and are intended to give a production company an initial assessment as to the eligibility of the film. Applicants whose Part A applications are approved will receive a letter from the Department of Finance & Treasury Board stating that the production proposal appears to be an “eligible film.” However if principal photography does not commence by June 30, 2015 then these productions will not be eligible for the FITC under the current rules.