

## **Backgrounder: Broten to rebuild film industry with new credit**

### **Cam Broten's plan to rebuild the film industry**

- A 45 per cent refundable film employment tax credit.
- A 15 per cent all-spend film tax credit, in addition to the employment credit, on non-labour costs including post-production.
- Payment schedules that can work as bridge funding so film and television projects are able to start creating jobs in Saskatchewan as soon as they're ready.
- Collaboration with the film industry to ensure that labour force development programs and training incentives support the industry's needs.
- This new filmmaking incentive rewards films for creating jobs for Saskatchewan people, and encourages projects to use Saskatchewan from start to completion, including post-production.
- This credit will only have a cost if it's successful in attracting and creating film projects in the province.
- The Saskatchewan Chamber of Commerce said the former film tax credit cost the province just \$1 million, and created \$44 million in annual net economic benefit to the province.<sup>1</sup>

### **A new credit, competitive with other jurisdictions**

- Ontario has a 35 per cent refundable labour tax credit.<sup>2</sup>
- Manitoba lets film projects choose between a 65 per cent labour credit or a 30 per cent all-spend credit.<sup>3</sup>
- Alberta offers a 25-30 per cent all-spend refundable credit, which they say is equivalent to a 45-55 per cent labour credit, in comparable dollars.<sup>4</sup>
- British Columbia has a 35 per cent refundable labour tax credit, and some additional credits for digital arts, as well as regional, training and distance credits.<sup>5</sup>

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<sup>1</sup> <http://regina.ctvnews.ca/axed-film-tax-credit-cost-taxpayers-less-than-gov-t-estimated-study-1.1017371>

<sup>2</sup> [http://www.omdc.on.ca/film\\_and\\_tv/tax\\_credits/ofttc.htm](http://www.omdc.on.ca/film_and_tv/tax_credits/ofttc.htm)

<sup>3</sup> <http://mbfilmmusic.ca/en/film/tax-credits>

<sup>4</sup> <http://www.albertafilm.ca/funding/>

<sup>5</sup> <http://www.creativebc.com/investment/tax-credits/film-incentive-bc/>

## What Saskatchewan used to have

- Prior to 2006, a 35 per cent refundable tax credit on labour was offered to projects. That was increased to 45 per cent in 2006.<sup>6</sup>
- Brad Wall ended the incentive in 2012.<sup>7</sup>
- According to the Saskatchewan Media Production Industry Association, there were as many as 1,500 full-time film employees working in Saskatchewan.<sup>8</sup>
- According to the Saskatchewan Chamber of Commerce, the cost of the film tax credit was just over \$1 million per year, and the net economic benefit was \$44.5 million.<sup>9</sup>
- In its peak year, Saskatchewan was \$67 million in film and television production invested in Saskatchewan.<sup>10</sup>

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<sup>6</sup> <http://www.qp.gov.sk.ca/documents/English/Statutes/Statutes/F13-11.pdf>

<sup>7</sup> <http://www.theglobeandmail.com/arts/film/producers-abandoning-saskatchewan-as-tax-credit-ends/article4374797/>

<sup>8</sup> Case Study: Saskatchewan, Page 37, <http://onscreenmanitoba.com/wp-content/uploads/2013/09/OSM-Snapshot-2013-Full-Study1.pdf>

<sup>9</sup> <http://regina.ctvnews.ca/axed-film-tax-credit-cost-taxpayers-less-than-gov-t-estimated-study-1.1017371>

<sup>10</sup> <http://www.theglobeandmail.com/arts/film/producers-abandoning-saskatchewan-as-tax-credit-ends/article4374797/>