Ontario Media Development Corporation (OMDC)
An Agency of the Ontario Ministry of Tourism, Culture and Sport

ONTARIO PRODUCTION SERVICES TAX CREDIT (OPSTC)

GUIDELINES

Updated FEBRUARY 2017

TABLE OF CONTENTS

INTRODUCTION

The February 2017 version of the Guidelines has been updated to advise of the new tax credit administration fee structure, effective April 1, 2017.

The Guidelines

These Guidelines have been prepared to assist producers in applying for an Ontario Production Services Tax Credit (the "OPSTC").

Please note that the OPSTC legislation (section 92 of the *Taxation Act, S.O. 2007)* and OPSTC regulation (Ontario Regulation 37/09) take precedence over any provision of these Guidelines.

Overview of the OPSTC

This section sets out the key features of the OPSTC. For a complete list of the applicable requirements, please consult the subsequent sections of these Guidelines and the OPSTC legislation and regulation.

What is it?

The OPSTC is a refundable tax credit, which means that the amount of the credit, minus any Ontario taxes payable, will be paid to the qualifying corporation. The OPSTC is based upon the Ontario labour and other qualifying production expenditures incurred by a qualifying corporation during a taxation year with respect to an eligible film or television production. The OPSTC is "harmonized" with the federal Film or Video Production Services Tax Credit jointly administered by the Canadian Audio Visual Certification Office of the Department of Canadian Heritage (CAVCO) and the Canada Revenue Agency (CRA), which means that the two credits are similar in many (but not all) respects. The OPSTC may be claimed alone, or in addition to a federal Film or Video Production Services Tax Credit (or a Canadian Film or Video Production Tax Credit).

How Much is the Tax Credit?

The OPSTC is calculated as 21.5% of the qualifying Ontario production expenditures incurred by a qualifying production company with respect to an eligible production minus assistance relating to such expenditures. Qualifying expenditures incurred on or before April 23, 2015 are calculated at a 25% rate. Applicants that met the grandfathering criteria and had applied for the OPSTC before August 1, 2015 may receive the 25% rate for expenditures incurred after April 23, 2015 and before August 1, 2016. Please see sections 3(ii), (iii) and (iv) for further details on the applicable criteria and the administration of grandfathering.

In addition, effective for taxation years that commence on or after April 24, 2015 a qualifying corporation's Ontario labour expenditures (including Ontario labour paid under an eligible service contract) must amount to at least 25% of the qualifying production expenditures claimed. However, there are no per project or annual corporate limits on the amount of the OPSTC which may be claimed.

Who is Eligible?

A qualifying corporation is a Canadian- or foreign-owned corporation which carries on a film or video production or production services business at a permanent establishment in Ontario, files an Ontario corporate tax return and owns the copyright in the eligible production or contracts directly with the copyright owner to provide production services to an eligible production.

What Types of Production are Eligible?

An eligible production must exceed a minimum production cost and must not be in an excluded genre or be a production for which public financial support would be contrary to public policy. In addition, a production that receives an Ontario Film and Television Tax Credit is not eligible for an OPSTC.

The production cost must exceed $1 million (CDN), except in the case of a series consisting of two or more episodes or a pilot for such a series. In the case of a series or pilot, the cost for each episode which has a running time less than thirty minutes must exceed $100,000 (CDN) and the cost for episodes with a longer running time must exceed $200,000 (CDN).

Excluded genres are: news; current events or public affairs programming, or a program that includes weather or market reports; talk shows; productions in respect of a game, questionnaire or contest; a sports event or activity; a gala presentation or awards show; a production that solicits funds; reality television; pornography; advertising or a production produced primarily for industrial, corporate or institutional purposes.

What Expenditures are Eligible?

Qualifying production expenditures consist of eligible wages, eligible service contracts and eligible tangible property expenditures.

The production expenditures must also be: reasonable in the circumstances, directly related to the production, must be incurred for the stages of production after the final script stage to the end of post-production. In order to be qualifying production expenditures for a corporation's taxation year, the expenditures must be incurred in the taxation year, paid in the taxation year or within 60 days after the end of the taxation year, and paid to Ontario-based individuals, companies or partnerships for services provided in Ontario. Ontario-based individuals are individuals who were resident in Ontario at the end of the calendar year before the year in which principal photography for the production commenced, and they must also be Ontario-based at the time the payments were made.

How is the Credit Administered?

The OPSTC is jointly administered by the Ontario Media Development Corporation (OMDC) – an agency of the Ontario Ministry of Tourism, Culture and Sport, and the Canada Revenue Agency (CRA). A qualifying corporation submits an application to the OMDC for a Certificate of Eligibility. The OMDC reviews the application and, if applicable, issues a Certificate of Eligibility which certifies eligibility and estimates the amount of the OPSTC. In order to claim the OPSTC, the qualifying corporation files its corporate tax return and the Certificate of Eligibility with the CRA.

Is a Screen Credit Required on the Production?

A screen credit recognizing financial support from the Ontario Government is available for the convenience of producers to recognize the Ontario tax credits contribution to their production. Although it is not required, due to the fact that tax credit information is considered confidential, a screen credit for an Ontario tax credit is certainly a welcome and appropriate way to acknowledge taxpayer support. The Ontario wordmark logo and accompanying guidelines can be downloaded from: http://www.omdc.on.ca/Page3236.aspx

THE ONTARIO WORDMARK LOGO

Ontario

Ontario Media Development Corporation

Film and Television
Tax Credits

LEGISLATIVE REQUIREMENTS

The following is an overview of the legislative requirements for an OPSTC as well as commentary regarding the legislative requirements.

The OPSTC legislation and regulation are reproduced in Appendices 1 and 2, respectively. As the OPSTC legislation and regulation make reference to the federal Film or Video Production Services Tax Credit legislation and draft regulation, the latter legislation and draft regulation have also been reproduced in Appendices 4 and 5, respectively, for your convenience.

1. What Types of Corporations are Eligible?

Legislative Requirements

In order to be eligible for an OPSTC for a taxation year, a corporation must be a "qualifying corporation" throughout the year.

A "qualifying corporation" is a corporation which satisfies <u>all</u> of the following requirements:

1. its activities in the taxation year in Ontario are primarily the carrying on of a film or video production business or a film or video production services business;

2. its activities are carried on through a "permanent establishment" in Ontario (see Appendix 3);

3. it owns the copyright in the eligible production during the period the production is produced in Ontario,

   <u>or</u>

   where the owner of the copyright in the eligible production is not a qualifying corporation, it is contracting <u>directly</u> with the owner of the copyright to provide production services; and

4. it is <u>not</u> exempt from tax, "controlled directly or indirectly in any manner" by one or more corporations that are exempt from tax, nor a labour-sponsored venture capital corporation as defined in subsection 125(5)(1) of the *Income Tax Act* (Canada).

Commentary

> A qualifying corporation or its authorized agent may apply for an OPSTC. There may be one or more qualifying corporations in respect of an eligible production. This may be because the copyright is owned by more than one corporation or because production services are provided to the copyright holder (s) by more than one corporation. The OMDC may issue a Certificate of Eligibility to each qualifying corporation in respect of its qualifying expenditures.
>
> A qualifying corporation may be a corporation incorporated under the laws of any jurisdiction (Canadian or non-Canadian) and may be controlled by Canadian or non-Canadian owners.
>
> The activities of the corporation must be primarily the production of film or television productions or the provision of film or television production services. The courts have interpreted the word "primarily" to mean something more than 50%.
>
> A corporation may be subject to Ontario tax if it has a permanent establishment in Ontario at which it is carrying on business. A "permanent establishment" generally refers to a fixed place of business (see Appendix 3). However, whether a fixed place of business is a "permanent establishment" is a <u>question of fact</u> which must be determined on a case-by-case basis. In interpreting the term

“permanent establishment”, the courts have considered factors such as: the degree of the corporation’s control over the place of business, the degree of continuity and permanence of the place of business and the presence of personnel and routine activities.

It is important to note that where the copyright holder is a qualifying corporation, the copyright holder must claim the tax credit. A qualifying corporation contracting directly with the copyright holder may claim the OPSTC only where the copyright holder is not a qualifying corporation.

The copyright owner will be the person which holds the rights to produce the eligible production and will hold legal ownership of the copyright in the completed production. It is not necessary to own all of the underlying elements of the production (egs. the script, and characters), provided that sufficient rights to use such underlying elements to produce the production have been acquired.

Where the qualifying corporation is the copyright owner, it must hold copyright during the period it is producing the production in Ontario. However, the copyright owner may subsequently sell the copyright without affecting its OPSTC claim. Where the qualifying corporation is not the copyright owner, copyright ownership may change during the period the production is produced in Ontario without affecting the OPSTC claim, provided that at all times during this period the qualifying corporation is contracting directly with the applicable copyright owner. In this case, the qualifying corporation will be required to provide evidence, such as a copy of the production services agreement with the new copyright owner, or a copy of the assignment of the production services agreement from the former copyright owner to the new copyright owner.

Corporations which are exempt from tax under Part III of the *Taxation Act* include non-profit or registered charitable corporations.

2. What Types of Productions Qualify?

Legislative Requirements

The OPSTC may only be claimed by a qualifying corporation in respect of an “eligible production”.

An “eligible production” is a production which satisfies all of the following requirements:

1. The principal photography for the production commences before the end of the year.
2. If the production is a television series production or is a pilot episode for a television series production, the total expenditures included in the cost of each episode or, if the production is a depreciable property, in the capital cost of each episode, during the 24 months after principal photography for the production commences, exceed,

   i. $100,000 if the episode has a running time that is less than 30 minutes, or

   ii. $200,000 in any other case.
3. If the production is not the type of production referred to in paragraph 2, the total expenditures included in the cost of the production or, if the production is a depreciable property, in the capital cost of the production, during the 24 months after principal photography for the production commences, exceed $1 million.
4. The production is not a production described in any of subparagraphs (b) (i) to (x) of the definition of “excluded production” in subsection 1106 (1) of the Federal regulations.
5. The production is not a production for which public financial support would be contrary to public policy.

Commentary

> The minimum production expenditure levels apply to the whole production, rather than to the part of the production produced in Ontario. There is no requirement as to the minimum activity or production expenditure which must take place in Ontario.
>
> An episode's "running time," for the purposes of determining which production expenditure minimum is applicable, refers to the total screen time of the production excluding commercial breaks. The "running time" of a television production will therefore usually be shorter than the time slot in which it is scheduled.
>
> "Pornography" for purposes of the OPSTC refers to content which would be contrary to the pornography provisions of the Criminal Code of Canada.
>
> "Productions for which public financial support would be contrary to public policy" may include productions which are capable of inciting hatred against an identifiable group, including a section of the public distinguished by colour, race, religion, sex, sexual orientation or ethnic origin and productions whose dominant characteristic is the undue exploitation of sex, violence or of sex and one or more of crime, horror, cruelty or violence.
>
> Where an applicant is unsure whether their production is in an eligible genre, they may request an advance ruling as to genre eligibility from the OMDC prior to applying for an OPSTC. If the production is determined by the OMDC to be eligible as to genre, an application for the OPSTC would then be made.

3. How Much is the Credit?

(i) Calculation of the Credit

The OPSTC for an eligible production is calculated by multiplying the qualifying corporation's "qualifying production expenditure"(QPE) for the taxation year by the credit rate of 21.5%. Qualifying production expenditures incurred on or before April 23, 2015 are calculated at a 25% rate.

The amount of the credit will be zero, if the qualifying corporation receives a credit for the production under Section 91 of the *Taxation Act, S.O., 2007* (the Ontario Film and Television Tax Credit available to Canadian-controlled corporations for productions with at least six Canadian content points).

The previous tax credit rates were grandfathered for eligible expenditures incurred after April 23, 2015 and before August 1, 2016 for productions that met the eligibility criteria.

(ii) Grandfathering Criteria for OPSTC 25% Rate

Productions that satisfy all of the following criteria are eligible for the 25% rate on qualifying production expenditures incurred after April 23, 2015 and before August 1, 2016:

1. Before April 24, 2015, the corporation has entered into at least one written agreement in respect of a qualifying production expenditure in respect of the production with a person that deals at arm's length with the corporation and any of the following criteria are satisfied:

    i. The agreement is in respect of services of a producer, a director, a key cast member, a production crew or a post-production crew.

    ii. The agreement is in respect of a studio located in Ontario, or a location in Ontario.

iii. The agreement demonstrates, in the opinion of the Minister of Tourism, Culture and Sport, that the corporation has made a significant commitment to production activities in Ontario.

2. Before August 1, 2015, the corporation has applied to the OMDC for a certificate in respect of the production.
3. Principal photography or key animation for the production commenced before August 1, 2015

(iii) Minister's Opinion

If your company does not have a written agreement that satisfies the specific types of agreements listed above, you can request an opinion of the Minister of Tourism, Culture and Sport as to whether another written agreement demonstrates that you have made a significant commitment to production activities in respect of the production in Ontario. Such a request should only be made if your company does not have an agreement that otherwise satisfies the criteria. Your company must have entered into this written agreement before April 24, 2015 in respect of a qualifying expenditure for the eligible production, with a person that deals at arm's length with your company. If a determination is made that the agreement does demonstrate such a commitment, a notice of determination will be provided to your company. For inquiries regarding applications to the Minister of Tourism, Culture and Sport, please contact John Sanderson, Senior Policy Advisor, Culture Division, at 416-314-7140.

(iv) Administration of Grandfathering

OPSTC is jointly administered by the OMDC and the Canada Revenue Agency (CRA). To be eligible for OPSTC, your company must apply to the OMDC. If your company is seeking grandfathering of the rates, you must have applied within the deadlines specified above. Certificates of Eligibility issued by the OMDC include an estimate of the credit, which is subject to verification by the CRA. The estimate provided by the OMDC is based on the revised tax credit rate of 21.5%. Certificates of Eligibility will indicate that a higher tax credit rate will be available if your production qualifies for grandfathering.

In order to claim OPSTC, your company must file its T2 return and Certificate of Eligibility with the CRA, together with documents supporting the grandfathering claim (i.e. the written agreement and if applicable, the notice of determination from the Minister of Tourism, Culture and Sport). The CRA will determine the total amount of eligible expenditures and the amount of tax credit that your company is eligible to receive, including whether your production qualifies for grandfathering. For questions relating to this, you can contact the CRA's Film Services Unit of the Toronto Centre Tax Services Office at 416-973-3407 or 416-954-0542.

4. Qualifying Production Expenditure (QPE)

Legislative Requirements

A qualifying corporation's "qualifying production expenditure" is the amount which is multiplied by the credit rate in order to calculate the OPSTC for a taxation year. It is equal to the qualifying corporation's qualifying production expenditure for the production for the taxation year, less assistance in respect of such expenditure and less amounts reimbursed to the qualifying corporation by a subsidiary for which the subsidiary can claim a tax credit.

A qualifying corporation's "qualifying production expenditure" for a taxation year is calculated by taking

(a) the corporation's eligible wage expenditure for the year or previous taxation year,

(b) the corporation's eligible service contract expenditure for the year or previous taxation year

(c) the amount determined under subsection (5.5) for the year or a previous taxation year (this refers to parent-subsidiary amounts, as set out below), and

(d) the corporation's eligible tangible property expenditure for the year or a previous taxation year

and deducting all relevant government and non-government assistance in respect of the production.

As noted above, a corporation's "qualifying production expenditure" may consist of the following <u>types of amounts</u> to the extent that they meet the requirements set out in (iv) below:

1) Eligible wage expenditures paid to employees of the qualifying corporation;

2) Eligible service contract expenditures paid by the qualifying corporation to persons or partnerships that carry on business through a permanent establishment in Ontario;

3) Eligible tangible property expenditures paid by the qualifying corporation to a person or partnership that is ordinarily engaged in the business of selling or leasing tangible property of the type of tangible property acquired or leased by the corporation; and

4) Reimbursements made by a wholly-owned subsidiary corporation to its parent corporation for an expenditure made by the parent which would be an eligible wage expenditure or eligible service contract expenditure of the subsidiary corporation if it had been made by them for the same purpose as the parent.

(i) Eligible Wage Expenditure

"Eligible wage expenditures" are the salaries and wages paid in the year or within 60 days after the end of the year to the corporation's employees who were Ontario-based individuals. The corporation's employees must also be Ontario-based at the time the payments were made.

(ii) Eligible Service Contract Expenditure

An "eligible service contract expenditure" consists of the cost of a contract for services that is paid to a person or partnership that carries on a business in Ontario through a permanent establishment and that is:

- an Ontario-based individual at the time the amount is paid and who is not an employee of the corporation (eg. a freelancer) provided the services are rendered in Ontario by the individual or the individual's employees at a time when they were Ontario-based individuals;

- another taxable Canadian corporation, provided the services are rendered in Ontario by the corporation's employees at a time when they were Ontario-based individuals;

- another taxable Canadian corporation which is a loan-out corporation whose shares belong to an Ontario-based individual;

- a partnership, provided the services are rendered in Ontario by an Ontario-based individual who is a member of the partnership or by the partnership's employees at a time when they were Ontario-based individuals; or

- a trade union representing members of the Ontario Provincial Police Force or a municipal police force in Ontario for the provision of security services on the set of the production.

Effective for taxation years that commence after April 23, 2015, at least 25% of a corporation's qualifying production expenditure must relate to salary and wages paid to Ontario based individuals. This amount would be comprised of the corporation's eligible salary and wages and the portion of the corporation's eligible service contract expenditures that relate to the salary and wages paid to Ontario-based individuals. In addition, expenditures incurred by a corporation pursuant to an eligible service contract with a non-arm's length party will be limited to amounts that would have been eligible for the credit if the non-arm's length party had been a qualifying corporation and had incurred the expenditures directly. This change will also apply to taxation years that commence after April 23, 2015.

(iii) Eligible Tangible Property Expenditures

A corporation's "eligible tangible property expenditure" includes amounts incurred for the acquisition or rental in Ontario of tangible property used in the eligible production. Such expenditures must satisfy the following conditions:

- The property is used in Ontario in a manner that is directly attributable to the eligible production.

- The expenditure is paid to a person or partnership that carries on a business in Ontario through a permanent establishment and that is

  an Ontario-based individual at the time the amount is paid and who is not an employee of the qualifying corporation, or

  a taxable Canadian corporation or partnership (whose members are not employees of the qualifying corporation), and that is ordinarily engaged in the business of selling or leasing tangible property of the type of tangible property acquired or leased by the corporation.

Commentary

As previously noted, a qualifying corporation's eligible wage expenditures include the salaries and wages paid to employees provided that they were also Ontario-based individuals at the time the payments were made.

"Salary and wages" refers to income of a taxpayer from an office or employment as computed under subdivision a of Division B of Part I of the Income Tax Act (Canada) but does not include an amount described in section 7 of the Act or an amount determined by reference to profits or revenues.

Eligible wage expenditures include union and guild fringes that are taxable benefits to Ontario-based employees. Non-taxable benefits are not eligible wage expenditures.

Eligible service contract amounts paid to parties other than employees are qualifying expenditures only to the extent that they are paid directly to the contract service provider for services personally rendered by such parties or for the salaries and wages of their employees. Any amounts paid by the production company to unions or guilds on behalf of the service contract provider are not eligible service contract expenditures.

Eligible service contract expenditures include payments to a trade union representing Ontario provincial or Ontario municipal police for on-set security services. The following expenditures are not eligible service contract expenditures: (i) airfares and other costs for travel outside of Ontario; meals and entertainment, other than food and non-alcoholic beverages for on set catering and craft services; alcoholic beverages; hotel and living expenses.

"Tangible property" is defined as property that can be seen, weighed, measured, felt or touched or that is in any way perceptible to the senses. Eligible tangible property expenditures include but are not limited to equipment, studio rentals and computer software. Such items as insurance, financing, completion bond and banking costs, and the cost of story rights are not qualifying tangible property expenditures.

(iv) Qualifying Production Expenditure Requirements (QPE)

Legislative Requirements

In order to qualify as a "qualifying production expenditure" for an eligible production for a taxation year of a qualifying corporation, an amount must be:

1) reasonable in the circumstances;

2) directly attributable to the production;

3) incurred in the corporation's taxation year or its previous taxation year;

4) incurred for the stages of production after the final script stage to the end of the post-production stage;

5) paid in the taxation year or within 60 days after the end of the year;

6) paid to "Ontario-based individuals" (see below); and

7) for services rendered in Ontario.

Qualifying production expenditure does not include amounts determined by reference to profits or revenues from the production or amounts referred to in section 37 of the Income Tax Act (Canada). For greater certainty, the amount of a corporation's Ontario production expenditure is zero if the corporation is not a qualifying corporation.

"Ontario-based individuals" are individuals who were resident in Ontario at the end of the calendar year immediately before the calendar year in which principal photography for the production commences and thereby subject to Ontario personal income tax for the preceding year (under section 2 of the Income Tax Act (Ontario). For such expenditures to be eligible, the individuals must also be Ontario-based at the time the payments were made.

Commentary

> A qualifying corporation's Ontario production expenditure may only include amounts after the final script stage to the end of the post production stage. Eligible wage and service contract expenditures are for services rendered in Ontario after the final script stage to the end of post production. Eligible tangible property expenditures are for properties used in Ontario during such period. Therefore, expenditures relating to the development of the production are excluded. There are no restrictions on the categories of post-production in respect of which Ontario production expenditures may be claimed.
>
> Amounts incurred in the qualifying corporation's taxation year but paid more than 60 days following the end of the taxation year, may not be claimed in the taxation year. However, such amounts may be claimed in the subsequent taxation year of the corporation if they are paid in the subsequent taxation year or within 60 days following the end of the subsequent year.
>
> The following amounts are excluded from the definition of "qualifying production expenditure": amounts determined by reference to revenues or profits from the production (including deferrals), expenditures in respect of scientific research and experimental development, and amounts that are not costs of the production (including amounts in respect of advertising, marketing, promotion, market research or amounts related in any way to another production).

(v) Assistance

Legislative Requirements

Assistance is defined for purposes of the federal Film or Video Production Services Tax Credit as an amount in any form including but not limited to a grant, subsidy, forgivable loan, deduction from tax, or an allowance, received by the taxpayer from:

- persons who pay the amounts in order to achieve a benefit or advantage for the payer or for persons with whom the payer does not deal at arm's length,

<u>or</u>

- a public authority where the amount can reasonably be considered to have been received
  - as an inducement, or
  - as a reimbursement, contribution or allowance or as assistance in respect of the cost of property or in respect of an outlay or expense,

<u>to the extent</u> that the amount may <u>not</u> reasonably be considered to be a payment made for the acquisition by the payer of an interest in the taxpayer or its business or property.

Commentary

Payments to <u>qualifying corporations</u> from both private and public sources, domestic and foreign, regardless of their form, may constitute assistance. Whether an amount is assistance is determined <u>based on the facts</u> of the case.

The federal tax credits for film and television and <u>most</u> Ontario tax credits have been specifically excluded from the definition of "assistance" for purposes of the OPSTC. Accordingly, the OCASE Tax Credit is not "assistance" for purposes of the OPSTC.

Although the federal tax credits for film and television are excluded from the definition of assistance for the purposes of Ontario's film and television tax credits, Ontario's tax credits and all other provincial tax credits will be considered as assistance for purposes of the federal film and television tax credits. However, only the labour portion of the OPSTC is considered assistance for the purposes of the federal production services tax credit.

In addition, although the OPSTC and other Ontario tax credits are not assistance for purposes of the OPSTC, such credits do constitute assistance for corporate tax purposes generally and must therefore be included in the income of a qualifying corporation for the applicable taxation year of the corporation.

Under the definition of "qualifying production expenditure", the assistance to be deducted is that which may reasonably be considered to be directly attributable to any amount included in the production's qualifying production expenditure. Where assistance is labour-related, the portion of the assistance which must be deducted is determined by dividing the labour portion of the corporation's qualifying production expenditure for the production by its total labour expenditure for the production and multiplying the result by the value of the assistance. Where assistance is not labour-related (such as grants from a film or television fund), the portion of the assistance which must be deducted is determined by dividing the corporation's total qualifying production expenditure for the production by the total cost of the production and multiplying the result by the value of the assistance.

ADMINISTRATIVE PROCESS

The OPSTC is jointly administered by the OMDC and the Canada Revenue Agency (CRA), as described below.

1. OMDC Role

(i) Issuance of Certificates of Eligibility

The OMDC is responsible for issuing Certificates of Eligibility, which the qualifying corporation files with the Canada Revenue Agency with its corporate tax return for the applicable taxation year in order to claim the OPSTC. A Certificate of Eligibility sets out (i) the eligibility of an applicant corporation; (ii) the eligibility of an applicant production; and (iii) the estimated amount of the OPSTC, which may be subject to verification by the Canada Revenue Agency as indicated below.

OMDC reserves the right to ask any question necessary to determine eligibility issues. As issues and fact patterns will differ depending on the specifics of any application, so too may the line of inquiry. Please note that receipt of a certificate for one production may not be relied upon as a guarantee of certification for subsequent filings.

(ii) Amendment and Revocation of Certificates of Eligibility

A Certificate of Eligibility may be amended to correct an error and under certain circumstances may be revoked by the OMDC. An amended Certificate of Eligibility replaces any Certificate of Eligibility previously issued for the production. If a Certificate of Eligibility is revoked by the OMDC, the revoked Certificate of Eligibility is treated as if it had never been issued and any OPSTC refund previously paid must be repaid.

Please note: effective January 1, 2017, there is a fee of $100 for amended Certificates that are requested.

2. Canada Revenue Agency Role

The Canada Revenue Agency (CRA) is responsible for the review or audit of the T2 Corporation Income Tax Return (T2 return) along with the Schedule T2SCH558 which must be filed by the qualifying corporation in order to claim the OPSTC. The CRA also processes T2 tax returns and issues notices of assessment and tax refunds.

(i) Filing of a Corporate Tax Return

The Canada Revenue Agency administers both Federal and Ontario corporate taxes. A corporation must file its T2 return for a taxation year with the CRA within six (6) months after the end of the corporation's taxation year. To claim the OPSTC a qualifying corporation must file its T2 return with Schedule T2SCH558 and the Certificate of Eligibility with the CRA. Following its review or audit of the OPSTC claim, the CRA processes the T2 return and issues a notice of assessment and, if applicable, a refund. The amount of refund may be reduced by any of the qualifying corporation's outstanding federal and Ontario taxes.

An OPSTC may be claimed annually if the production in Ontario takes place during more than one taxation year of the qualifying corporation. Alternatively, the qualifying corporation may claim the OPSTC for the whole production at the end of the final taxation year of the corporation during which production takes place in Ontario

The T2 Corporation Income Tax Return and applicable schedules are available on the CRA website at: http://www.cra.gc.ca/formspubs/menu-eng.html

For additional information, visit the following CRA website: http://www.cra.gc.ca/filmservices

Inquiries should be directed to CRA's Toronto Film Services Unit at (416) 973-3407 or (416) 952-7349.

(ii) Payment of an OPSTC Refund

If the qualifying corporation is owed a tax refund (which may include an OPSTC) for the taxation year, a cheque or direct deposit may be issued by the CRA. The amount of refund may be reduced by any of the qualifying corporation's outstanding federal and Ontario taxes (such as corporate income taxes, retail sales tax, provincial sales tax, etc.).

3. Applying for a Certificate of Eligibility

(i) Who Applies to the OMDC?

The qualifying corporation submits a completed OPSTC Application to the OMDC in respect of each eligible production. One application may be filed in respect of episodes of a television production produced for the same broadcast season.

The qualifying corporation is the corporation which is producing all or a part of the eligible production and may not be the copyright owner. For administrative convenience, the qualifying corporation may appoint an agent to apply on its behalf, but any Certificate of Eligibility issued will be in the name of the qualifying corporation.

(ii) When Should Application Be Made to the OMDC?

You can apply for a Certificate of Eligibility at any time during the production (from the start of principal photography or key animation) or after production activities have been completed. As a Certificate of Eligibility can be issued before all production activities are completed, it is not necessary to wait until all expenditures have been incurred before applying for a Certificate.

Please note that as of January 1, 2017, there is a fee for filing claims that are more than 24 months old.

(iii) What Documentation Is Required?

The applicant must submit to the OMDC the documents set out in the OPSTC Documents Checklist (see Appendix 8). In some cases the OMDC may also require additional documentation or information in order to issue a Certificate of Eligibility. If the production activities have been completed, the applicant should submit a schedule of actual production expenditures and a final cost report. If the production is not complete, the applicant can submit a schedule of projected production expenditures and a production budget. All documentation or information received from an applicant is subject to the confidentiality provisions of the Taxation Act and will be maintained in strictest confidence by the OMDC and the Canada Revenue Agency.

(iv) Is There an Administration Fee?

There is an administration fee for each application for an OPSTC Certificate of Eligibility, payable at the time of submission of the application. The amount of the administration fee is $5,000.00 per OPSTC application, as set out in the OPSTC Administration Fee Schedule (see Appendix 9). OPSTC administration fees are used by the OMDC to partially offset its costs of administering the OPSTC.

Please note: effective April 1, 2017 there is a new administration fee structure for tax credits which will offset the costs of administering the program. The OPSTC administration fee will be calculated as 0.15% of eligible expenditures for the application. There is a minimum fee of $5,000 per application and a maximum fee of $10,000 per application.

(v) Online Application

In an effort to streamline our tax credit administration process, the OMDC has a mandatory policy that all OMDC tax credit applications must be submitted via our Online Application Portal (OAP). Please ensure that your application includes all of the required documentation and information as only complete applications can be transmitted through the OAP.

When you start an application on the OAP you can save your work and come back to it before submitting the application online. However, please note that once you have started the application on the OAP you have 90 days to submit it before the application expires.

(vi) How Long Does the Process Take?

The OMDC Tax Credits Department will only review complete applications on a first-come, first-served basis and processing time will depend on the volume of applications received. If you file an incomplete application you will be notified about deficiencies with the filing. Where significant delays are encountered in obtaining responses from applicants, the OMDC reserves the right to close the file after 30 days.

CONTACT INFORMATION

OMDC Tax Credits Department Who's Who

Listed below are the members of the Tax Credits Department who work on the OPSTC. For general information, forms or information on the status of an application, please contact the Programs Officer. For specific questions on eligibility, labour expenditure calculations, definitions or any issue concerning a specific project; please contact the Tax Credits Phone Duty line (416) 642-6659 or mailbox at taxcredits@omdc.on.ca. Please leave a detailed message including your name, company, phone number and which tax credit or file you are inquiring about. Phone calls and emails will be responded to within one business day. Policy issues may be addressed to the Director.

Director
Jennifer Blitz
jblitz@omdc.on.ca
416 642-6694

Team Leader
Monica Szenteszky
mszenteszky@omdc.on.ca
416 642-6692

Team Leader
Manya Rouben
mrouben@omdc.on.ca
416 642-6643

Programs Officer
Paritosh Mehta
pmehta@omdc.on.ca
416 642-6639

Business Officer
Anna Newallo
anewallo@omdc.on.ca
416 642-6640

Business Officer
Mara Ravins
mravins@omdc.on.ca
416 642-6653

Business Officer
Rachel Arlene Singh
asingh@omdc.on.ca
416 642-6686

Business Officer
Mark Sonnenberg
msonnenberg@omdc.on.ca
416 642-6655

Business Officer
Ivonete de Sousa
idesousa@omdc.on.ca
416 642-6625

Business Officer
Paul Vella
pvella@omdc.on.ca
416 645-8522

NOTE: **This OMDC consolidation is prepared for purposes of convenience only. The authoritative text of the legislation is set out in the official volumes.**

APPENDIX 1 - ONTARIO PRODUCTION SERVICES TAX CREDIT LEGISLATION

Section 92 of the *Taxation Act*, S.O. 2007, Chapter 11, Schedule A

(Current to January 1, 2017)

92. (1) A corporation that is a qualifying corporation for a taxation year and that complies with the requirements of this section may claim an amount for the year in respect of and not exceeding the corporation's Ontario production services tax credit for the year.

Amount of tax credit

(2) The amount of a qualifying corporation's Ontario production services tax credit for a taxation year is the sum of the corporation's eligible credits for the year in respect of eligible productions.

Eligible credit

(3) A qualifying corporation's eligible credit for a taxation year in respect of an eligible production is the sum of,

(a) 18 per cent of the portion of its qualifying Ontario labour expenditure in respect of the production for the year that relates to expenditures incurred after December 31, 2004 and before January 1, 2008;

(a.1) Repealed

(b) 25 per cent of the portion of its qualifying Ontario labour expenditure in respect of the production for the year that relates to expenditures incurred after December 31, 2007 and before July 1, 2009;

(c) 25 per cent of the portion of its qualifying production expenditure in respect of the production for the year that relates to expenditures incurred after June 30, 2009 and on or before April 23, 2015; and

(d) 21.5 per cent of the portion of its qualifying production expenditure in respect of the production for the year that relates to expenditures incurred after April 23, 2015.

Transitional

(3.1) Despite subsection (3), a qualifying corporation's eligible credit for a taxation year in respect of an eligible production includes 25 per cent of the portion of its qualifying production expenditures in respect of the production for the year that relates to expenditures incurred after April 23, 2015 and before August 1, 2016 if all of the following criteria are satisfied:

1. Before April 24, 2015, the corporation has entered into at least one written agreement in respect of a qualifying production expenditure in respect of the production with a person that deals at arm's length with the corporation and any of the following criteria are satisfied:

    i. The agreement is in respect of services of a producer, a director, a key cast member, a production crew or a post-production crew.

    ii. The agreement is in respect of a studio located in Ontario, or a location in Ontario.

    iii. The agreement demonstrates, in the opinion of the Minister of Tourism, Culture and Sport, that the corporation has made a significant commitment to production activities in Ontario.

2. Before August 1, 2015, the corporation has applied to the Ontario Media Development Corporation under subsection (6) for a certificate in respect of the production.

3. Principal photography or key animation for the production commenced before August 1, 2015.

Exception, prescribed tax credit rate

(4) If a percentage is prescribed for the purposes of clause (3) (b) (c) or (d), the prescribed percentage and not the percentage set out in that clause shall apply in determining an amount under that clause in respect of the period to which the prescribed percentage applies.

Exception

(5) Despite subsections (3) and (4), a qualifying corporation's eligible credit for a taxation year in respect of an eligible production is nil if the corporation claims a tax credit in respect of the production for any taxation year under section 43.5 of the *Corporations Tax Act* or section 91.

Qualifying production expenditure

(5.1) Subject to subsection (5.1.1) for the purposes of this section, a corporation's qualifying production expenditure for a taxation year in respect of an eligible production is the amount, if any, by which "A" exceeds "B" where,

"A" is the sum of,

(a) the corporation's eligible wage expenditure for the year or a previous taxation year in respect of the production,

(b) the corporation's eligible service contract expenditure for the year or a previous taxation year in respect of the production,

(c) the amount determined under subsection (5.5) for the year or a previous taxation year in respect of the production, and

(d) the corporation's eligible tangible property expenditure for the year or a previous taxation year in respect of the production, and

"B" is the sum of,

(a) all relevant assistance in respect of the production,

(i) that may reasonably be considered to be directly attributable to any amount included in the determination of "A" for the year,

(ii) that, when it was required to file its return under this Act for the year, the corporation or any other person or partnership had received, was entitled to receive or was reasonably expected to receive, to the extent the assistance had not been repaid pursuant to a legal obligation to do so, and

(iii) that has not caused a reduction of any amount included in the determination of "A" for the year in respect of the production,

(b) the sum of all amounts, each of which is the corporation's qualifying production expenditure in respect of the production for a previous taxation year before the end of which the principal photography of the production began, and

(c) if the corporation is a parent, the sum of all amounts each of which is determined in respect of the production under subsection (5.5) as a consequence of an agreement referred to in that subsection between the corporation and the subsidiary corporation.

Same, expenditure not to exceed limit

(5.1.1) A corporation's qualifying production expenditure for a taxation year that commences on or after April 24, 2015 in respect of an eligible production shall not exceed the corporation's qualifying production expenditure limit for the taxation year in respect of the eligible production, as determined under subsection (5.1.2).

Qualifying production expenditure limit

(5.1.2) For the purposes of subsection (5.1.1), a corporation's qualifying production expenditure limit for a taxation year in respect of an eligible production is the amount, if any, by which "C" exceeds "D" where,

"C" is four times the sum of,

(a) the amount of the corporation's eligible wage expenditure for the year or a previous taxation year in respect of the production to the extent that the eligible wage expenditure has not been included in the determination of the corporation's qualifying production expenditure in respect of the production for a previous taxation year,

(b) the amount of the corporation's eligible service contract expenditure for the year or a previous taxation year in respect of the production that relates to salary and wages paid to Ontario-based individuals in respect of services provided under the contract to the extent that the amount has not been included in the determination of the corporation's qualifying production expenditure in respect of the production for a previous taxation year, and

(c) the amount determined under subsection (5.5) for the year or a previous year in respect of the production to the extent that the amount has not been included in the determination of the corporation's qualifying production expenditure in respect of the production for a previous taxation year, and

"D" is the sum of,

(a) all relevant assistance in respect of the production,

(i) that may reasonably be considered to be directly attributable to any amount included in the determination of "A" under subsection (5.1) for the year,

(ii) that, when it was required to file its return under this Act for the year, the corporation or any other person or partnership had received, was entitled to receive or was reasonably expected to receive, to the extent the assistance had not been repaid pursuant to a legal obligation to do so, and

(iii) that has not caused a reduction of any amount included in the determination of "A" under subsection (5.1) for the year in respect of the production, and

(b) if the corporation is a parent, the sum of all amounts each of which is determined in respect of the production under subsection (5.5) as a consequence of an agreement referred to in that subsection between the corporation and the subsidiary corporation.

Eligible wage expenditure

(5.2) For the purposes of this section and subject to subsection (5.8), a qualifying corporation's eligible wage expenditure for a taxation year in respect of an eligible production is an amount equal to the salary and wages that are,

(a) reasonable in the circumstances;

(b) directly attributable to the production;

(c) incurred by the corporation in the year or the previous taxation year;

(d) related to services rendered in Ontario for the stages of production of the production after the final script stage to the end of the post-production stage; and

(e) paid by it in the year or within 60 days after the end of the year to the corporation's employees who were Ontario-based individuals at the time the payments were made (other than amounts incurred in the previous year that were paid within 60 days after the end of the previous year).

Eligible service contract expenditure

(5.3) For the purposes of this section and subject to subsections (5.8) and (15), a qualifying corporation's eligible service contract expenditure for a taxation year in respect of an eligible production is the total of all amounts each of which is the cost of a contract for services that is,

(a) reasonable in the circumstances;

(b) directly attributable to the production;

(c) incurred by the corporation in the year or the previous taxation year;

(d) related to services rendered in Ontario in the year or the previous year to the corporation for the stages of production of the production, from after the final script stage to the end of the post-production stage;

(e) paid by it in the year or within 60 days after the end of the year (other than amounts incurred in the previous taxation year that were paid within 60 days after the end of the previous year); and

(f) paid to a person or partnership that carries on a business in Ontario through a permanent establishment and that is,

(i) an Ontario-based individual at the time the amount is paid and who is not an employee of the corporation, provided the services are personally rendered in Ontario in respect of the production by the individual or the individual's employees at a time when they were Ontario-based individuals,

(ii) another corporation that is a taxable Canadian corporation, provided the services are personally rendered in Ontario in respect of the production by the other corporation's employees at a time when they were Ontario-based individuals,

(iii) another corporation that is a taxable Canadian corporation, all the issued and outstanding shares of the capital stock of which (except directors' qualifying shares) belong to an Ontario-based individual and the activities of which consist principally of the provision of the individual's services, or

(iv) a partnership, each member of which is an Ontario-based individual or a taxable Canadian corporation, provided the services are personally rendered in Ontario in respect of the production by an Ontario-based individual who is a member of the partnership or by the partnership's employees at a time when they were Ontario-based individuals.

Same, security services provided by off-duty police officers

(5.4) Subject to clauses (5.3) (a) to (e) and subsection (5.8), an amount paid in a taxation year or a previous taxation year in respect of an eligible production to a trade union representing members of the Ontario Provincial Police Force or a municipal police force in Ontario for the provision of security services on the set of the production may be included in a corporation's eligible service contract expenditure for the taxation year in respect of the production.

Parent-subsidiary amounts

(5.5) If the corporation has a parent that is a taxable Canadian corporation and if the corporation and the parent have agreed that paragraph (c) of the definition of "Canadian labour expenditure" in subsection 125.5 (1) of the Federal Act applies in respect of the production, the amount determined under this subsection is equal to the reimbursement made by the corporation in the year, or within 60 days after the end of the year (other than amounts incurred by the parent in the previous year that were reimbursed by the corporation within 60 days after the end of the previous year), of an amount that was incurred by the parent in a particular taxation year of the parent in respect of the production, if the amount would be included in the corporation's eligible wage expenditure or eligible service contract expenditure in respect of the production for the particular taxation year if the corporation had had that particular taxation year and the expenditure had been incurred by the corporation for the same purpose as it was incurred by the parent and paid at the same time and to the same person or partnership as it was paid by the parent.

Eligible tangible property expenditure

(5.6) For the purposes of this section and subject to subsections (5.7), (5.8), (16) and (17), a qualifying corporation's eligible tangible property expenditure for a taxation year in respect of an eligible production is the sum of the amounts described in the following paragraphs:

1. If tangible property is acquired by the corporation, the total of all amounts each of which is an amount calculated in respect of a particular tangible property using the formula,

$$(A \times B \times C)/365$$

in which,

"A" is the undepreciated capital cost of the property at the beginning of the year or, where the property was acquired in the year, the cost of the property,

"B" is the rate applicable to the property under Schedule II of the Federal regulations, and

"C" is the number of days in the taxation year that the tangible property was available for immediate use in respect of the eligible production in Ontario.

2. If tangible property is leased by the corporation, the total of all amounts each of which is the proportion of the lease cost attributable to the use in Ontario of the property in the taxation year in the course of completing the eligible production.

Same

(5.7) An expenditure is not included in the eligible tangible property expenditure of a qualifying corporation for a taxation year with respect to an eligible production unless all of the following conditions are satisfied:

1. The property is used in Ontario in a manner that is directly attributable to the eligible production.
2. The property is used during the stages of production of the production, after the final script stage to the end of the post-production stage.
3. The expenditure is incurred by the corporation in the year or the previous taxation year.
4. The expenditure is paid by the corporation in the year or within 60 days after the end of the year (other than amounts incurred in the previous taxation year that were paid within 60 days after the end of the previous year).
5. The expenditure is reasonable in the circumstances.
6. The expenditure is paid to a person or partnership,

   i. that is ordinarily engaged in the business of selling or leasing tangible property of the type of tangible property acquired or leased by the corporation,

   ii. that carries on business through a permanent establishment in Ontario,

   iii. that is a taxable Canadian corporation or an Ontario-based individual at the time the amount is paid or a partnership comprised entirely of members that are taxable Canadian corporations or Ontario-based individuals at the time the amount is paid,

iv. in the case of an individual, who is not an employee of the qualifying corporation, and

v. in the case of a partnership, whose members are not employees of the qualifying corporation.

Same

(5.8) A corporation's qualifying production expenditure in respect of an eligible production does not include expenditures incurred for or on account of,

(a) meals and entertainment (other than reasonable expenditures for food and non-alcoholic beverages provided to individuals working on an eligible production at a studio or location set on a day filming is taking place);

(b) alcoholic beverages;

(c) hotel and living expenses;

(d) remuneration determined by reference to profits or revenues;

(e) an amount to which section 37 of the Federal Act applies; or

(f) for greater certainty, an amount that is not a production cost (including an amount in respect of advertising, marketing, promotion, market research) or an amount related in any way to another film or video production.

Application for certificate

(6) In order to be eligible to claim an amount in respect of an Ontario production services tax credit under this section with respect to a particular production, a qualifying corporation shall apply to the Ontario Media Development Corporation, or to another person designated by the Minister of Culture, for certification that the production is an eligible production for the purposes of this section.

Same

(7) A qualifying corporation that applies for certification shall provide the information specified for the purposes of this section by the Ontario Media Development Corporation or the person designated by the Minister of Culture to the person who specified that it be provided.

Certificate

(8) The Ontario Media Development Corporation or the person designated by the Minister of Culture shall issue to the qualifying corporation a certificate and any amended certificates,

(a) if the particular production is an eligible production for the purposes of this section; and

(b) if the qualifying corporation,

(i) has not claimed a tax credit in respect of the production under section 43.5 of the *Corporations Tax Act* or section 91, or

(ii) has claimed a tax credit in respect of the production under section 43.5 of the *Corporations Tax Act* or section 91 which was not allowed on assessment by the Minister of Finance or the Ontario Minister, as the case may be, and the corporation has not objected to the assessment on the issue of the disallowance.

Same

(9) Each certificate issued under subsection (8) must certify that the particular production is an eligible production for the purposes of this section and certify the estimated amount of the corporation's eligible credit for the production for the purposes of this section.

Certificate to be delivered with return

(10) In order to claim an amount under this section for a taxation year in respect of a particular production, a qualifying corporation must deliver to the Ontario Minister with its return for the year the certificate most recently issued in respect of the production or a certified copy of the certificate.

Revocation of certificate

(11) A certificate or amended certificate issued under subsection (8) may be revoked,

(a) if an omission or incorrect statement was made for the purpose of obtaining the certificate;

(b) if the production is not an eligible production;

(c) if the corporation to which the certificate is issued is not a qualifying corporation; or

(d) if a certificate in respect of the production is issued to the corporation under section 43.5 of the *Corporations Tax Act* or section 91.

Same

(12) A certificate that is revoked is deemed never to have been issued.

Definitions

(13) In this section,

"eligible production" means a film or television production that satisfies the prescribed conditions; ("production admissible")

"Ontario-based individual" means, in relation to an eligible production, an individual who was resident in Ontario at the end of the calendar year immediately before the calendar year in which principal photography for the production commences; ("particulier domicilié en Ontario")

"parent" means a corporation that owns all the issued and outstanding shares of the capital stock (except directors' qualifying shares) of another corporation; ("société mère")

"qualifying corporation" means a corporation that satisfies the prescribed conditions; ("société admissible")

"qualifying Ontario labour expenditure" means the amount determined under the prescribed rules. ("dépense de main-d'oeuvre admissible en Ontario")

"relevant assistance" means an amount that satisfies the prescribed conditions; ("aide pertinente")

"tangible property" means property that can be seen, weighed, measured, felt or touched or that is in any way perceptible to the senses, and is deemed to include software. ("bien corporel")

Inflation of tax credit claim

(14) Despite any other provision in this section, if a qualifying corporation has incurred expenditures that are included in its qualifying production expenditure for the year in respect of an eligible production pursuant to a contract with a person or partnership with which the corporation does not deal at arm's length, and the Ontario Minister reasonably believes that one of the principal purposes of the existence of the contract was to increase the amount of the corporation's tax credit under this section, the amount of the tax credit will be reduced by the amount of the increase.

Same, eligible service contract

(15) For taxation years commencing after April 23, 2015, if a qualifying corporation enters into a contract for service with a person or partnership with which the corporation does not deal at arm's length, an amount incurred by the corporation pursuant to the contract shall not be included in the corporation's eligible service contract expenditures for a taxation year in respect of an eligible production for the purposes of subsection (5.3) unless the amount would have been an eligible wage expenditure or eligible service contract expenditure of the person or partnership if,

(a) the person or partnership was a qualifying corporation; and

(b) the expenditure was incurred by the person or partnership in respect of an eligible production.

Same, acquisition of tangible property

(16) For taxation years commencing after April 23, 2015, if a qualifying corporation acquires tangible property from a person or partnership with which the corporation does not deal at arm's length, for the purposes of determining the corporation's eligible tangible property expenditure for a taxation year in respect of an eligible production under subsection (5.6), the definition of "A" in paragraph 1 of that subsection shall be read as follows,

"A" is,

(a) in respect of the year in which the tangible property was acquired, the lesser of,

(i) the corporation's purchase price of the tangible property,

(ii) the costs of the tangible property to the person or partnership, and

(iii) the undepreciated capital costs of the tangible property at the beginning of the person's or partnership's taxation year in which the corporation acquired the tangible property, and

(b) in respect of a year other than the year in which the tangible property was acquired, the amount that would be the undepreciated capital costs of the property at the beginning of the year if the costs of the property had been the amount determined under clause (a).

Same, lease of tangible property

(17) For taxation years commencing after April 23, 2015, if a qualifying corporation leases tangible property from a person or partnership with which the corporation does not deal at arm's length, then the following rules apply in respect of the lease for the purposes of determining the corporation's eligible tangible property expenditure for a taxation year in respect of an eligible production under subsection (5.6):

1. If the person or partnership that leases the tangible property to the corporation owns the tangible property, then the amount of the corporation's eligible tangible property expenditure for the year in respect of that property is the lesser of the amount that would otherwise be determined under paragraph 2 of subsection (5.6) and the amount that would be determined under paragraph 1 of subsection (5.6) if the corporation owned the tangible property.
2. If the person or partnership that leases the tangible property to the corporation has itself leased the tangible property, then the amount of the corporation's eligible tangible property expenditure for the year in respect of that property is the amount that would be determined under paragraph 2 of subsection (5.6) if the lease cost for the purposes of that paragraph was the lesser of the lease costs of the corporation and the lease costs of the person or partnership.

Exception, parties to certain litigation

(18) A qualifying corporation that was a party to the action in the matter of *Rookie Blue Two Inc. v. Her Majesty the Queen*, court file number CV-14-499450, decided by the Ontario Superior Court of Justice on March 11, 2015, shall, for the purposes of determining its eligible expenditures with respect to the eligible production referred to in that matter, determine the following expenditures as they would have been determined under this section as it read immediately before the *Building Ontario Up Act (Budget Measures), 2015* received Royal Assent:

1. The eligible wage expenditure under subsection (5.2).
2. The eligible service contract expenditure under subsection (5.3).
3. The eligible tangible property expenditure under subsection (5.7).

NOTE: **This OMDC consolidation is prepared for purposes of convenience only. The authoritative text of the legislation is set out in the official volumes.**

APPENDIX 2 - ONTARIO PRODUCTION SERVICES TAX CREDIT REGULATION

(O.Reg. 37/09 made under the *Taxation Act, 2007*)

Current to July 20, 2012

Definitions

23. In this Division,

"Canadian", when used in reference to a person or corporation other than a Canadian broadcaster, has the meaning assigned by subsection 1106 (1) of the Federal regulations;

"Ontario-based individual" means, in relation to a film or television production, an individual who was resident in Ontario at the end of the calendar year immediately before the calendar year in which principal photography for the production commences;

"parent" means a corporation that wholly owns another corporation;

"principal photography" includes key animation if the film or television production is an animated production or contains animated segments;

"producer" has the meaning assigned by the definition of that term in subsection 1106 (1) of the Federal regulations except that the reference to "film or video production" in that definition shall be read as "film or television production";

"salary" and "wages" do not include an amount described in section 7 of the Federal Act or any amount determined by reference to profits or revenues;

"television series production" means, with respect to a cycle of a television series, the episode or group of episodes of the television series that is specified to be a production in an application for certification for the purposes of section 91 or 92 of the Act.

Eligible production

31. A film or television production is an eligible production for the purposes of section 92 of the Act for a taxation year if the following conditions are satisfied:

1. The principal photography for the production commences before the end of the year.
2. If the production is a television series production or is a pilot episode for a television series production, the total expenditures included in the cost of each episode or, if the production is a depreciable property, in the capital cost of each episode, during the 24 months after principal photography for the production commences, exceed,
   i. $100,000 if the episode has a running time that is less than 30 minutes, or
   ii. $200,000 in any other case.
3. If the production is not the type of production referred to in paragraph 2, the total expenditures included in the cost of the production or, if the production is a depreciable property, in the capital cost of the production, during the 24 months after principal photography for the production commences, exceed $1 million.
4. The production is not a production described in any of subparagraphs (b) (i) to (x) of the definition of "excluded production" in subsection 1106 (1) of the Federal regulations.

5. The production is not a production for which public financial support would be contrary to public policy.

Qualifying corporation

32. A corporation is a qualifying corporation in respect of an eligible production for a taxation year for the purposes of section 92 of the Act if the corporation would be an "eligible production corporation" throughout the year, within the meaning of the definition of that term in subsection 125.5 (1) of the Federal Act if,

(a) the references to "accredited production" and "in Canada" in that definition were read as "eligible production" and "in Ontario", respectively;

(b) the reference to "(as defined by regulation)" in that definition were struck out; and

(c) the reference to "eligible production corporation" in paragraph (b) of the definition were read as "qualifying corporation".

Qualifying Ontario labour expenditure

33. (1) For the purposes of section 92 of the Act, a corporation's qualifying Ontario labour expenditure for a taxation year in respect of an eligible production is the amount, if any, by which "A" exceeds "B" where,

"A" is the sum of all amounts each of which is the corporation's Ontario labour expenditure for the year or a previous taxation year in respect of the production, and

"B" is the sum of,

(a) all relevant assistance as defined in subsection 92 (13) of the Act in respect of the production,

(i) that may reasonably be considered to be directly attributable to the amount of "A" for the year,

(ii) that, when it was required to file its return under the Act for the year, the corporation or any other person or partnership had received, was entitled to receive or was reasonably expected to receive, to the extent the assistance had not been repaid pursuant to a legal obligation to do so, and

(iii) that has not caused a reduction of the corporation's Ontario labour expenditure for the year in respect of the production,

(b) the sum of all amounts, each of which is the corporation's qualifying Ontario labour expenditure in respect of the production for a previous taxation year before the end of which the principal photography of the production began, and

(c) if the corporation is a parent, the sum of all amounts each of which is determined in respect of the production under paragraph 3 of subsection (2) as a consequence of an agreement referred to in that paragraph between the corporation and the subsidiary corporation it wholly owns.

(2) For the purposes of this section and subject to subsection (3), a qualifying corporation's Ontario labour expenditure for a taxation year in respect of an eligible production is the sum of the following amounts in respect of the production to the extent that they are reasonable in the circumstances:

1. The salary and wages directly attributable to the production that are incurred by the corporation in the year or the previous taxation year, that relate to services rendered in Ontario for the stages of production of the production, from the final script stage to the end of the post-production stage, and that are paid by it in the year or within 60 days after the end of the year to the corporation's employees who were Ontario-based individuals at the time the payments were made (other than amounts incurred in the previous year that were paid within 60 days after the end of the previous year);

2. That portion of the remuneration (other than salary or wages and other than remuneration that relates to services rendered in the previous taxation year that was paid within 60 days after the end of the

previous year) that is directly attributable to the production, that relates to services rendered in Ontario in the year or the previous year to the corporation for the stages of producing the production, from the final script stage to the end of the post-production stage, and that is paid by it in the year or within 60 days after the end of the year to a person or partnership that carries on a business in Ontario through a permanent establishment and that is,

i. an Ontario-based individual at the time the amount is paid and who is not an employee of the corporation, to the extent that the amount paid,

A. is attributable to services personally rendered by the individual in Ontario in respect of the production, or

B. is attributable to and does not exceed the salary or wages paid by the individual to the individual's employees at a time when they were Ontario-based individuals for personally rendering services in Ontario in respect of the production,

ii. another corporation that is a taxable Canadian corporation, to the extent that the amount paid is attributable to and does not exceed the salary or wages paid to the other corporation's employees at a time when they were Ontario-based individuals for personally rendering services in Ontario in respect of the production,

iii. another corporation that is a taxable Canadian corporation, all the issued and outstanding shares of the capital stock of which (except directors' qualifying shares) belong to an Ontario-based individual and the activities of which consist principally of the provision of the individual's services, to the extent that the amount paid is attributable to services rendered personally in Ontario by the individual in respect of the production, or

iv. a partnership, to the extent that the amount paid,

A. is attributable to services personally rendered in respect of the production by an Ontario-based individual who is a member of the partnership, or

B. is attributable to and does not exceed the salary or wages paid by the partnership to its employees at a time when they were Ontario-based individuals for personally rendering services in Ontario in respect of the production; and

3. If the corporation has a parent that is a taxable Canadian corporation and if the corporation and the parent have agreed that paragraph (c) of the definition "Canadian labour expenditure" in subsection 125.5 (1) of the Federal Act applies in respect of the production, the reimbursement made by the corporation in the year, or within 60 days after the end of the year, of an expenditure that was incurred by the parent in a particular taxation year of the parent in respect of the production, if the amount would be included in the corporation's Ontario labour expenditure in respect of the production for the particular taxation year under paragraph 1 or 2 if the corporation had had that particular taxation year and the expenditure had been incurred by the corporation for the same purpose as it was incurred by the parent and paid at the same time and to the same person or partnership as it was paid by the parent.

(3) Subsection (2) does not apply to remuneration determined by reference to profits or revenues, to an amount to which section 37 of the Federal Act applies nor, for greater certainty, to an amount that is not a production cost (including an amount in respect of advertising, marketing, promotion, market research) or an amount related in any way to another film or video production.

(4) The prescribed conditions for the purpose of the definition of "relevant assistance" in subsection 92 (13) of the Act are as follows:

1. The amount is assistance in respect of a production under subsection 125.5 of the Federal Act.

2. The amount is not assistance provided, or deemed by the Federal Act to be provided, under subsection 127 (5) or (6) or section 125.4 of the Federal Act.

3. The amount is not assistance provided under section 90, 92, 94 or 95 of the Act or section 43.7, 43.8, 43.10 or 43.12 of the *Corporations Tax Act*.

4. The amount is not assistance provided after June 30, 2009 and before April 1, 2010 by the Canadian Television Fund or after March 31, 2010 by the Canada Media Fund under the License Fee Program referred to in subsection 1106 (11) of the Federal regulations.

NOTE: **This OMDC consolidation is prepared for purposes of convenience only. The authoritative text of the legislation is set out in the official volumes.**

APPENDIX 3 - OPSTC RELATED PROVISIONS

DEFINITION OF "PERMANENT ESTABLISHMENT" Subsection 400 (2) of the Federal Income Tax Regulations

For the purposes of this part, "permanent establishment" in respect of a corporation means a fixed place of business of the corporation, including an office, a branch, a mine, an oil well, a farm, a timberland, a factory, a workshop or a warehouse, and

(*a*) where the corporation does not have any fixed place of business it means the principal place in which the corporation's business is conducted;

(*b*) where a corporation carries on business through an employee or agent, established in a particular place, who has general authority to contract for his employer or principal or who has a stock of merchandise owned by his employer or principal from which he regularly fills orders which he receives, the corporation shall be deemed to have a permanent establishment in that place;

(*c*) an insurance corporation is deemed to have a permanent establishment in each province and country in which the corporation is registered or licensed to do business;

(*d*) where a corporation, otherwise having a permanent establishment in Canada, owns land in a province, such land shall be deemed to be a permanent establishment;

(*e*) where a corporation uses substantial machinery or equipment in a particular place at any time in a taxation year it shall be deemed to have a permanent establishment in that place;

(*e.1*) if, but for this paragraph, a corporation would not have a permanent establishment, the corporation is deemed to have a permanent establishment at the place designated in its incorporating documents or bylaws as its head office or registered office;

(*f*) the fact that a corporation has business dealings through a commission agent, broker or other independent agent or maintains an office solely for the purchase of merchandise shall not of itself be held to mean that the corporation has a permanent establishment; and

(*g*) the fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in trade or business in a place shall not of itself be held to mean that the corporation is operating a permanent establishment in that place.

***NOTE*:** **This OMDC consolidation is prepared for purposes of convenience only. The authoritative text of the legislation is set out in the official volumes.**

APPENDIX 4 - FEDERAL FILM OR VIDEO PRODUCTION SERVICES TAX CREDIT LEGISLATION

Section 125.5 of the *Income Tax Act* (Canada)
Enacted by Bill C-28

Film or Video Production Services Tax Credit

Definitions

125.5 (1) The definitions in this subsection apply in this section.

"accredited film or video production certificate" in respect of a film or video production means a certificate issued by the Minister of Canadian Heritage certifying that the production is an accredited production.

"accredited production" has the meaning assigned by regulation.

"assistance" means an amount, other than an amount deemed under subsection 125.5(3) to have been paid, that would be included under paragraph 12 (1) (x) in computing the income of a taxpayer for any taxation year if that paragraph were read without reference to subparagraphs 12(1)(x)(v) to 12(1)(x)(vii).

"Canadian labour expenditure" of a corporation for a taxation year in respect of an accredited production means, in the case of a corporation that is not an eligible production corporation in respect of the production for the year, nil, and in any other case, subject to subsection 125.5(2), the total of the following amounts in respect of the production to the extent that they are reasonable in the circumstances:

(a) the salary or wages directly attributable to the production that are incurred by the corporation after October 1997, and in the year or the preceding taxation year, and that relate to services rendered in Canada for the stages of production of the production, from the final script stage to the end of the post-production stage, and paid by it in the year or within 60 days after the end of the year to employees of the corporation who were resident in Canada at the time the payments were made (other than amounts incurred in that preceding year that were paid within 60 days after the end of that preceding year),

(b) that portion of the remuneration (other than salary or wages and other than remuneration that relates to services rendered in the preceding taxation year and that was paid within 60 days after the end of that preceding year) that is directly attributable to the production, that relates to services rendered in Canada after October 1997 and in the year, or that preceding year, to the corporation for the stages of production of the production, from the final script stage to the end of the post-production stage, and that is paid by it in the year or within 60 days after the end of the year to a person or a partnership, that carries on a business in Canada through a permanent establishment (as defined by regulation), and that is

(i) an individual resident in Canada at the time the amount is paid and who is not an employee of the corporation, to the extent that the amount paid

(A) is attributable to services personally rendered by the individual in Canada in respect of the accredited production, or

(B) is attributable to and does not exceed the salary or wages paid by the individual to the individual's employees at a time when they were resident in

Canada for personally rendering services in Canada in respect of the accredited production,

(ii) another corporation that is a taxable Canadian corporation, to the extent that the amount paid is attributable to and does not exceed the salary or wages paid to the other corporation's employees at a time when they were resident in Canada for personally rendering services in Canada in respect of the accredited production,

(iii) another corporation that is a taxable Canadian corporation, all the issued and outstanding shares of the capital stock of which (except directors' qualifying shares) belong to an individual who was resident in Canada and the activities of which consist principally of the provision of the individual's services, to the extent that the amount paid is attributable to services rendered personally in Canada by the individual in respect of the accredited production, or

(iv) a partnership, to the extent that the amount paid

(A) is attributable to services personally rendered in respect of the accredited production by an individual who is resident in Canada and who is a member of the partnership, or

(B) is attributable to and does not exceed the salary or wages paid by the partnership to its employees at a time when they were resident in Canada for personally rendering services in Canada in respect of the accredited production, and

(c) where

(i) the corporation is a subsidiary wholly-owned corporation of another corporation that is a taxable Canadian corporation (in this section referred to as the "parent"), and

(ii) the corporation and the parent have filed with the Minister an agreement that this paragraph apply in respect of the production,

the reimbursement made by the corporation in the year, or within 60 days after the end of the year, of an expenditure that was incurred by the parent in a particular taxation year of the parent in respect of the production and that would be included in the Canadian labour expenditure of the corporation in respect of the production for the particular taxation year because of paragraph (a) or (b) if

(i) the corporation had had such a particular taxation year, and

(ii) the expenditure were incurred by the corporation for the same purpose as it was incurred by the parent and were paid at the same time and to the same person or partnership as it was paid by the parent.

"eligible production corporation" in respect of an accredited production for a taxation year, means a corporation, the activities of which in the year in Canada are primarily the carrying on through a permanent establishment (as defined by regulation) in Canada of a film or video production business or a film or video production services business and that

(a) owns the copyright in the accredited production throughout the period during which the production is produced in Canada, or

(b) has contracted directly with the owner of the copyright in the accredited production to provide production services in respect of the production, where the owner of the copyright is not an eligible production corporation in respect of the production, except a corporation that is, at any time in the year,

(c) a person all or part of whose taxable income is exempt from tax under this Part,

(d) controlled directly or indirectly in any manner whatever by one or more persons all or part of whose taxable income is exempt from tax under this Part, or

(e) prescribed to be a labour-sponsored venture capital corporation for the purpose of section 127.4.

"qualified Canadian labour expenditure" of an eligible production corporation for a taxation year in respect of an accredited production means the amount, if any, by which

(a) the total of all amounts each of which is the corporation's Canadian labour expenditure for the year or a preceding taxation year

exceeds the aggregate of

(b) the total of all amounts, each of which is an amount of assistance that can reasonably be considered to be in respect of amounts included in the total determined under paragraph (a) in respect of the corporation for the year that, at the time of filing its return of income for the year, the corporation or any other person or partnership has received, is entitled to receive or can reasonably be expected to receive, that has not been repaid before that time pursuant to a legal obligation to do so (and that does not otherwise reduce that expenditure),

(c) the total of all amounts, each of which is the qualified Canadian labour expenditure of the corporation in respect of the accredited production for a preceding taxation year before the end of which the principal filming or taping of the production began, and

(d) where the corporation is a parent, the total of all amounts each of which is included in the total determined under paragraph (a) in respect of the corporation for the year and is the subject of an agreement in respect of the accredited production referred to in paragraph (c) of the definition "Canadian labour expenditure" between the corporation and its subsidiary wholly-owned corporation.

"salary or wages" does not include an amount described in section 7 or an amount determined by reference to profits or revenues.

Rules governing Canadian labour expenditure of a corporation

(2) For the purpose of the definition "Canadian labour expenditure" in subsection 125.5(1),

(a) remuneration does not include remuneration determined by reference to profits or revenues;

(b) services referred to in paragraph (*b*) of that definition that relate to the post-production stage of the accredited production include only the services that are rendered at that stage by a person who performs the duties of animation cameraman, assistant colourist, assistant mixer, assistant sound-effects technician, boom operator, colourist, computer graphics designer, cutter, developing technician, director of post production, dubbing technician, encoding technician, inspection technician — clean up, mixer, optical effects technician, picture editor, printing technician, projectionist, recording technician, senior editor, sound editor, sound-effects technician, special effects editor, subtitle technician, timer, video-film recorder operator, videotape operator or by a person who performs a prescribed duty;

(c) that definition does not apply to an amount to which section 37 applies; and

(d) for greater certainty, that definition does not apply to an amount that is not a production cost including an amount in respect of advertising, marketing, promotion, market research or an amount related in any way to another film or video production.

Tax credit

(3) An eligible production corporation in respect of an accredited production for a taxation year is deemed to have paid on its balance-due day for the year an amount on account of its tax payable under this Part for the year equal to 16% of its qualified Canadian labour expenditure for the year in respect of the production, if

(a) the corporation files with its return of income for the year

(i) a prescribed form containing prescribed information in respect of the production,

(ii) an accredited film or video production certificate in respect of the production, and

(iii) each other document prescribed in respect of the production, and

(b) the principal filming or taping of the production began before the end of the year.

Canadian film or video production

(4) Subsection 125.5(3) does not apply in respect of a production in respect of which an amount is deemed to have been paid under subsection 125.4 (3).

When assistance received

(5) For the purposes of this Act other than this section, and for greater certainty, the amount that a corporation is deemed under subsection 125.5(3) to have paid for a taxation year is assistance received by the corporation from a government immediately before the end of the year.

Revocation of certificate

(6) An accredited film or video production certificate in respect of an accredited production may be revoked by the Minister of Canadian Heritage where

(a) an omission or incorrect statement was made for the purpose of obtaining the certificate, or

(b) the production is not an accredited production,

and, for the purpose of subparagraph 125.5(3)(a)(ii), a certificate that has been revoked is deemed never to have been issued.

NOTE: **This OMDC consolidation is prepared for purposes of convenience only. The authoritative text of the legislation is set out in the official volumes.**

APPENDIX 5 - FEDERAL FILM OR VIDEO PRODUCTION SERVICES TAX CREDIT REGULATIONS
Subsection 9300 of the Regulations under the *Income Tax Act* (Canada)

PART XCIII
FILM OR VIDEO PRODUCTION SERVICES TAX CREDIT
Accredited Production

9300. (1) Subject to subsection (2), for the purpose of section 125.5 of the Act, accredited production means

(*a*) a film or video production in respect of which the aggregate expenditures, included in the cost of the production, in the period that ends 24 months after the time that the principal filming or taping of the production began, exceeds $1,000,000; and

(*b*) a film or video production that is part of a series of television productions that has two or more episodes, or is a pilot programme for such a series of episodes, in respect of which the aggregate expenditures included in the cost of each episode in the period that ends 24 months after the time that the principal filming or taping of the production began exceeds

(i) in the case of an episode whose running time is less than 30 minutes, $100,000, and

(ii) in any other case, $200,000.

(2) An accredited production does not include a production that is any of the following:

(*a*) news, current events or public affairs programming, or a programme that includes weather or market reports;

(*b*) a talk show;

(*c*) a production in respect of a game, questionnaire or contest;

(*d*) a sports event or activity;

(*e*) a gala presentation or awards show;

(*f*) a production that solicits funds;

(*g*) reality television;

(*h*) pornography;

(*i*) advertising; and

(*j*) a production produced primarily for industrial, corporate or institutional purposes.

NOTE: **This OMDC consolidation is prepared for purposes of convenience only. The authoritative text of the legislation is set out in the official volumes.**

APPENDIX 6 - FEDERAL FILM OR VIDEO PRODUCTION SERVICES TAX CREDIT RELATED PROVISIONS

DEFINITION OF "ASSISTANCE"

Paragraph 12 (1) (x) of the *Income Tax Act* (Canada)

12 (1) (x) Inducement, reimbursement, etc. – any particular amount (other than a prescribed amount) received by the taxpayer in the year, in the course of earning income from a business or property, from

(i) a person or partnership (in the paragraph referred to as "the payer") who pays the particular amount

A) in the course of earning income from a business or property,

B) in order to achieve a benefit or advantage for the payer or for persons with whom the payer does not deal at arm's length, or

C) in circumstances where it is reasonable to conclude that the payer would not have paid the amount but for the receipt by the payer of amounts from a payer, government, municipality or public authority described in this subparagraph or in subparagraph (ii), or

(ii) a government, municipality or other public authority,

where the particular amount can reasonably be considered to have been received

(iii) as an inducement, whether as a grant, subsidy, forgivable loan, deduction from tax, allowance or any other form of inducement, or

(iv) as a refund, reimbursement, contribution or allowance or as assistance, whether as a grant, subsidy, forgivable loan, deduction from tax allowance or any other form of assistance, in respect of

A) an amount included in, or deducted as, the cost of property, or

B) an outlay or expense,

to the extent that the particular amount

(v) was not otherwise included in computing the taxpayer's income, or deducted in computing, for the purposes of this Act, any balance of undeducted outlays, expenses or other amounts for the year or a preceding taxation year,

(v.1) is not an amount received by the taxpayer in respect of a restrictive covenant, as defined by subsection 56.4(1), that was included, under subsection 56.4(2), in computing the income of a person related to the taxpayer,

(vi) except as provided by subsection 127 (11.1), 127 (11.5) or 127 (11.6) does not reduce, for the purpose of an assessment made or that may be made under this Act the cost or capital cost of the property of the amount of the outlay or expense, as the case may be,

(vii) does not reduce, under subsection 12 (2.2) or 13 (7.4) or paragraph 53 (2) (s), the cost or capital cost of the property or the amount of the outlay or expense, as the case may be, and

(viii) may not reasonably be considered to be a payment made in respect of the acquisition by the payer or the public authority of an interest in the taxpayer, an interest in, or for civil law a right in, the taxpayer's business or an interest in, or for civil law a real right in, the taxpayer's property.

DEFINITION OF "CONTROL"
Subsection 256 (5.1) of the *Income Tax Act* (Canada)

256 (5.1) Control in fact – For the purposes of this Act, where the expression "controlled, directly or indirectly in any manner whatever," is used, a corporation shall be considered to be so controlled by another corporation, person or group of persons (in this subsection referred to as the "controller") at any time where, at that time, the controller has any direct or indirect influence that, if exercised, would result in control in fact of the corporation, except that, where the corporation and the controller are dealing with each other at arm's length and the influence is derived from a franchise, licence, lease, distribution, supply or management agreement or other similar agreement or arrangement, the main purpose of which is to govern the relationship between the corporation and the controller regarding the manner in which a business carried on by the corporation is to be conducted, the corporation shall not be considered to be controlled, directly or indirectly, in any manner whatever, by the controller by reason only of that agreement or arrangement.

APPENDIX 7 - COMPARISON OF THE ONTARIO PRODUCTION SERVICES TAX CREDIT AND THE FEDERAL FILM OR VIDEO PRODUCTION SERVICES TAX CREDIT

	Ontario Production Services Tax Credit	Federal Film or Video Production Services Tax Credit
Eligible Corporation	Must have a permanent establishment (as defined in the Taxation Act) in Ontario.	Must have a permanent establishment (as defined in the *Income Tax Act* (Canada)) in Canada.
Calculation of Credit	Federal Tax Credits do not constitute assistance.	Provincial tax credits constitute assistance. Only the labour portion of the OPSTC constitutes assistance.
Eligible Expenditures	The credit is based on qualifying Ontario production expenditures. To be eligible, amounts must be paid to Ontario-based individuals (individuals resident in Ontario at the end of the calendar year preceding the year in which principal photography started). The individuals must also be Ontario-based at the time the payments were made.	Credit is based on Canadian labour expenditures – amounts paid to persons resident in Canada at the time the payments were made.
Administration	Certificate addresses applicant and production eligibility and the estimated amount of the credit. Qualifying corporation applies to the OMDC for a Certificate of Eligibility and to the Canada Revenue Agency for a credit refund.	Certificate addresses eligibility of the production and applicant. Copyright owner applies to CAVCO for an accreditation certificate. Eligible production corporation applies to Canada Revenue Agency for credit refund.

APPENDIX 8 - OPSTC DOCUMENTS CHECKLIST

It is the responsibility of the applicant to ensure that all documentation is current. **Please forward amended information/documents as changes occur**.	
1.	Completed OPSTC Application (via OMDC's Online Application Portal)
2.	Administration Fee payable to the *Ontario Media Development Corporation* ($5,000.00 flat fee).Effective January 1, 2017: - There is an additional filing fee of $100 for applications that are submitted more than 24 months from the company's relevant year-end; and - There is a fee of $100 for requests for amended Certificates. **Please note: effective April 1, 2017 there is a new administration fee structure for tax credits which will offset the costs of administering the program**. The OPSTC administration fee will be calculated as 0.15% of eligible expenditures for the application. There is a minimum fee of $5,000 per application and a maximum fee of $10,000 per application.
3.	Incorporation documents for the qualifying corporation
4.	Corporate chart or list of shareholders for the qualifying corporation
5.	Production Services Agreement between copyright holder and qualifying corporation. If the production is domestic, please provide a copy of all signed final financing agreements.
6.	Copy of the Official Designee Affidavit signed for purposes of the Federal Film or Video Production Services Tax Credit, if applicable
7.	Synopsis for the production (additional material may be requested)
8.	Chain of title documentation (such as a legal opinion)
9.	CAVCO Accreditation Certificate, if available OR CAVCO Part A Certificate, if available (domestic productions)
10.	Cast List with names and residency addresses
11.	Crew List with names and residency addresses
12.	Production Schedule including start and stop dates of principal photography (if for series, for each episode)
13.	Financing Plan for the production (for domestic productions)
14.	Detailed Cost Report (if production has been completed) OR Production Budget

15. Schedule of Final (actual) Ontario Qualifying Production Expenditures (if the production has been completed) OR Schedule of Projected Qualifying Production Expenditures.

Where Qualifying Production Expenditures are incurred on and before April 23, 2015 and after that date, please provide:

Schedule of final (actual) Ontario qualifying production expenditures (if the production is completed) OR Schedule of projected qualifying production expenditures incurred before April 24, 2015.

And

Schedule of final (actual) Ontario qualifying production expenditures (if the production is completed) OR Schedule of projected qualifying production expenditures incurred after April 23, 2015.

Note: If the production qualifies for the 25% rate under the grandfathering criteria, the schedule must split out the qualifying production expenditures (QPE) incurred in the period after April 23, 2015 and before August 1, 2016 from the QPE incurred after July 31, 2016.

Please refer to the Qualifying Production Expenditures template posted on OMDC's website.

N.B. For purposes of estimating the production's federal Film or Video Production Services Tax Credit (PSTC), it is recommended that the labour expenditures be separated from the other production expenditures, as only the labour portion of the OPSTC will grind the PSTC.

OPSTC ADMINISTRATION FEE SCHEDULE

A non-refundable administration fee is payable with respect to each OPSTC application submitted to the Ontario Media Development Corporation and is used to partially offset operating costs of the OPSTC program.

The administration fee is a flat fee of $5,000.00 per OPSTC application.

Where the aggregate tax credit received in respect of an application is less than $25,000 Cdn (excluding amounts which may reduce the tax credit receivable, such as taxes owing), the applicant may be entitled to a partial rebate of the administrative fees payable for accreditation. The rebate entitlement is based on the table below:

Aggregate Tax Credit	Fee	Rebate
$25,001 +	$5,000	$0
$20,001 - $25,000	$4,000	$1,000
$15,001 - $20,000	$3,000	$2,000
$10,001 - $15,000	$2,000	$3,000
$ 0 - $10,000	$1,000	$4,000

The administration fee is payable to the Ontario Media Development Corporation by cheque or money order at the time the OPSTC application is submitted to the OMDC. Please note that these fees are required in order for the application to be reviewed.

Please note: effective April 1, 2017 there is a new administration fee structure for tax credits which will offset the costs of administering the program. The OPSTC administration fee will be calculated as 0.15% of eligible expenditures for the application. There is a minimum fee of $5,000 per application and a maximum fee of $10,000 per application.

As previously announced, effective January 1, 2017 there is an additional filing fee of $100 applied to applications for Certificates of Eligibility received more than 24 months after the end of the first fiscal year in which principal photography began. Where a year-end has not been included in the application, the additional fee will be applied to applications submitted more than 24 months after the start of principal photography. As well, there is a fee of $100 for each Amended Certificates requested.