

ONTARIO TAX CREDIT SUMMARY

NOTE: Production Service Productions following Canadian Content Productions. Multiple pages.

FOR CANADIAN CONTENT PRODUCTIONS

Type of Tax Credit:

- OFTTC (Ontario Film and Television Tax Credit); Refundable tax credit (non-transferrable)

Base Tax Credit Rate:

- 35% of eligible Ontario based production and post-production labour (labour that is performed by crew, personnel and service providers that are residents of Ontario)

NOTE: Labour is for all labour throughout production, from prep through post-production until final delivery, and for live action and animated productions.

Bonus Tax Credit Rate(s):

- An additional 10% of eligible Ontario based labour for productions that have 85% of their shooting days in a region of Ontario that is outside of the Greater Toronto Area, and at least 5 of the remaining shooting days anywhere else in Ontario (including the Greater Toronto Area).
- An additional 5% for the first \$240,000 of Ontario based labour, for productions that are first time productions in the province. 35% for the remaining balance of eligible Ontario based labour

What Producers are Eligible:

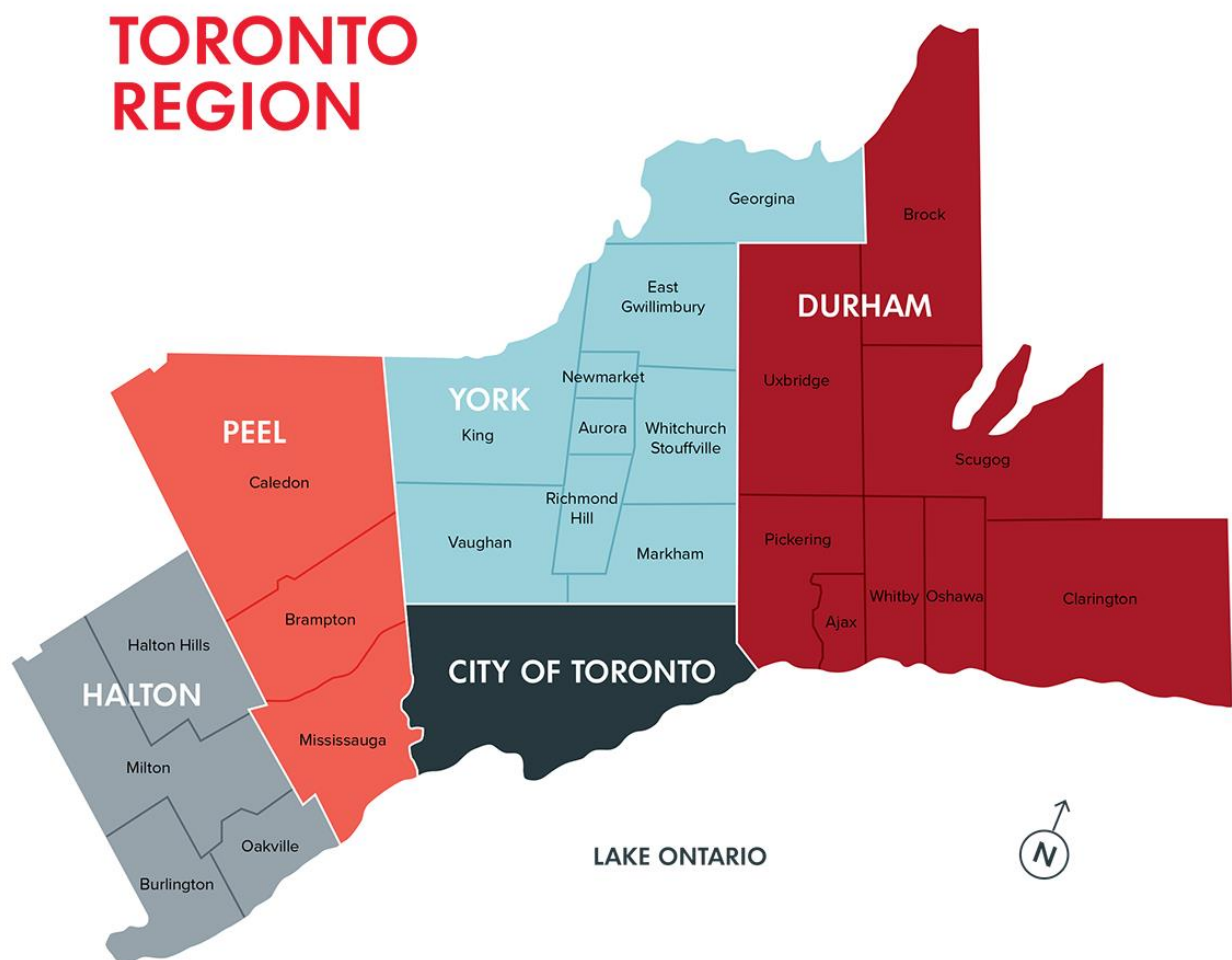
A qualifying production company is a Canadian corporation which is Canadian-controlled, has a permanent establishment in Ontario, and files an Ontario corporate tax return. In addition, the individual producer of the production must have been an Ontario resident for tax purposes at the end of both of the two calendar years prior to commencement of principal photography.

What Productions are Eligible:

- has 6 Canadian content points out of 10, determined by the number of key crew that are Canadian citizens or permanent residents (*unless it is an official treaty co-production with another country, in which case please refer to treaty co-production guidelines with that country*)
- is predominantly shot and posted in Ontario (*Note: There are exceptions for documentaries, interprovincial co-productions and international treaty co-productions*)
- spends at least 75% of its total final costs on Ontario expenditures
- for television only, is suitable for a minimum 30-minute time slot (except children's programming)
- has an agreement with an Ontario-based distributor or a Canadian broadcaster to be shown in Ontario within two years of completion (broadcast must occur between 7:00 p.m. and 11:00 p.m., except for children's programming). Distributors can be digital distributors such as VOD providers. No theatrical releasing required.

- is not in an excluded genre (such as news or current affairs, talk shows, game shows, sports shows, awards shows, fundraising shows, reality television)

MAP OF TORONTO AND GREATER TORONTO AREA



FOR PRODUCTION SERVICES PRODUCTIONS

Type of Tax Credit:

- 21.5% of eligible production and post-production expenditures (including labour, services, purchases or rental of qualifying tangible properties such as equipment, materials, transportation, vehicles, studio spaces, offices and locations)
- Ontario labour expenditures (including labour under a service contract) must amount to at least 25% of the total expenditures. Otherwise, the corporation's qualifying production expenditure limit for a tax year cannot be more than four times the Ontario labour expenditures (including labour under a service contract).
- All crew, personnel, service providers and vendors that labour and non-labour expenditures are paid to must have permanent establishments in Ontario.
- Only expenditures incurred after the final script stage to the end of the post-production stage, including final delivery of elements, are eligible for the credit.
- The OPSTC can be combined with the federal Film or Video Production Services Tax Credit of 16% of qualified Canadian labour expenditures.

What Producers are Eligible:

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 Productions are Eligible:

- Productions with total production costs of \$1,000,000 CAD or more, for feature-films, one-offs, or movies made for TV / SVOD.
- Series productions with episodes of 30 minute duration or less must have per episode costs of \$100,000 CAD or more. Pilot episodes apply by the same minimum cost requirement.
- Series productions with episodes greater than 30 minutes duration must have per episode costs of \$200,000 CAD or more. Pilot episodes apply by the same minimum cost requirement.
- Is not in an excluded genre (such as news or current affairs, talk shows, game shows, sports shows, awards shows, fundraising shows, reality television)