
Film and Television Tax Credit

Program Guidelines

Superseded

Superseded

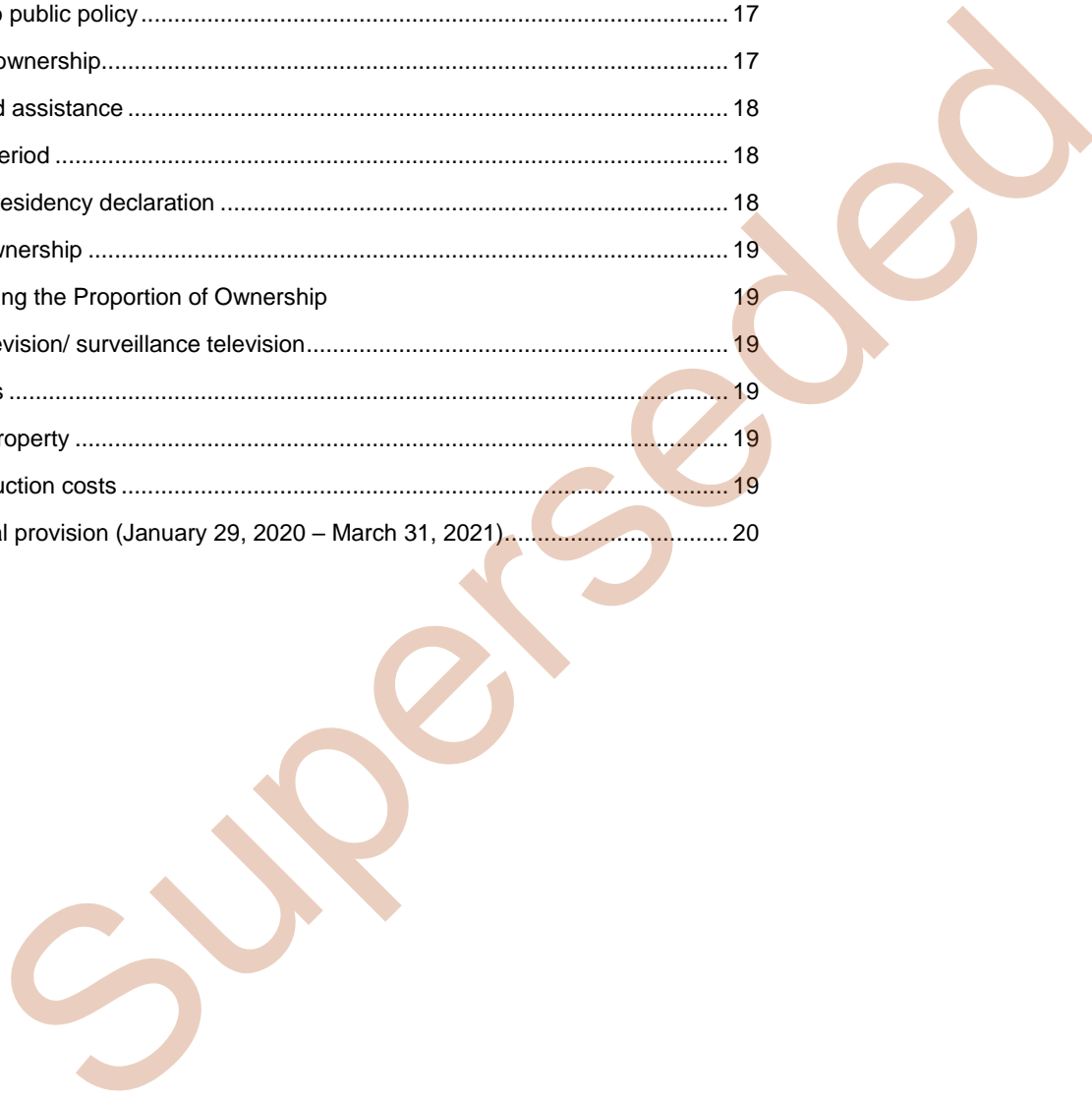
This publication is issued under the Open Government Licence – Alberta (<http://open.alberta.ca/licence>). Please note that the terms of this licence do not apply to any third-party materials included in this publication.

Film and Television Tax Credit Program Guidelines | Ministry of Jobs, Economy and Innovation
© 2022 Government of Alberta | August 30, 2022 |

Contents

Program Overview	5
<ul style="list-style-type: none"> • The Film and Television Tax Credit (FTTC) program offers support to medium and large-scale productions filming in Alberta to encourage growth, sustainability, competitiveness, and business attraction in Alberta’s film and television industry. 	5
Changes to the program (March 2021)	5
Transitional provision (January 29, 2020 - March 31, 2021)	5
Tax credit rates	5
Eligibility Criteria	6
For corporations	6
For productions	6
Additional eligibility requirements	7
<ul style="list-style-type: none"> • Commercial License Agreement • Confirmed Financing 	7
Eligible Alberta Production Costs	8
Salary or wage costs	8
<ul style="list-style-type: none"> • Documentary productions 	9
Eligible production cost limitations	9
Related party transactions.....	10
How to Apply	11
Create a user account through the online application portal	11
Submit an online application	11
After You Apply	12
Assessment of applications.....	12
Notification and Authorization Letters.....	12
Principal photography and production.....	13
Changes to the Production Plan.....	13
Requesting a Tax Credit Certificate	13
Requirements for Audited Production Costs Statement	14
Delivery of Tax Credit Certificates	15
Recognition Requirements	15
Holding Requirement	16
Contact Information	16
Additional Information	16
Freedom of Information and Privacy (FOIP)	16

- Appendix: Definitions 17**
- Alberta-based 17
 - For individuals: 17
 - For individuals for the purposes of copyright ownership: 17
 - For corporations: 17
 - For partnerships: 17
- Completion of production 17
- Contrary to public policy 17
- Copyright ownership 17
- Designated assistance 18
- Eligibility period 18
- Individual residency declaration 18
- Level of ownership 19
 - Calculating the Proportion of Ownership 19
- Reality television/ surveillance television 19
- Talk shows 19
- Tangible property 19
- Total production costs 19
- Transitional provision (January 29, 2020 – March 31, 2021) 20



Program Overview

The Film and Television Tax Credit (FTTC) program offers support to medium and large-scale productions filming in Alberta to encourage growth, sustainability, competitiveness, and business attraction in Alberta's film and television industry.

The FTTC offers a refundable Alberta tax credit on eligible Alberta production costs to corporations that produce films, television series, and other eligible screen-based productions in the province. Applicants may apply for either a 22% or 30% tax credit based on the eligibility criteria detailed below.

Applications to the program are accepted continuously but may be subject to budget availability.

Changes to the program (March 2021)

As announced on March 26, 2021, to build on the success of the program so far, Alberta's government has removed the Film and Television Tax Credit's \$10 million per project cap to make Alberta an even more competitive and sought-after filming location for larger productions. This change will also allow flexibility to respond to future growth in this emerging sector, and could lead to the development of film production studios based in Alberta.

In addition, approved applicants may now request their tax credit certificate using the program's online application portal. For more information on how to apply for a tax credit certificate please refer to the "Requesting a Tax Credit Certificate" section of these guidelines and the [Application for a Tax Credit Certificate Instruction Guide Companion guide](#), available through the program webpage.

Transitional provision (January 29, 2020 - March 31, 2021)

Productions that began principal photography between March 1, 2019, and January 28, 2020, were eligible to apply to the program until March 31, 2021. For all other productions, principal photography must not have started before an application is submitted to the program. For more information on the transitional provision, please refer to the "Definitions" section of these guidelines.

Tax credit rates

Applicants can apply for either a 30% or 22% tax credit

Basic eligibility requirements for both tax credit rates can be found in the "Eligibility Criteria" section of these guidelines.

In addition to the basic eligibility requirements, productions applying for a 30% tax credit must also:

- be owned (at least 50%) by Alberta-based shareholders; this includes proportionate financial control and proportionate profit participation (for information on completing the calculation, please refer to "level of ownership" in the "Definitions" section of these guidelines);
- have *at least* one Alberta-based producer with a single card credit recognition. **Where multiple Alberta-based producers are engaged, it is acceptable for the Alberta-based producers to share a credit.**
- have the production's copyright held, at least in part, by an Alberta-based individual, partnership or corporation at the time of application and for a minimum of 10 years following the completion of production; and
- spend at least 60% of the total production costs in Alberta OR spend at least 70% of the total production salary or wages on Alberta-based individuals.

For more information on how the program defines "Alberta-based" and "level of ownership", please refer to the "Definitions" section of these guidelines.

International treaty co-productions may be eligible for a 30% tax credit if they meet the following criteria:

- have at least one Alberta-based producer with a single card credit recognition. Where multiple Alberta-based producers are engaged, it is acceptable for the Alberta-based producers to share a credit
- spend at least 60% of the total production costs in Alberta or spend at least 70% of the total production salary or wages on Alberta-based individuals.

For more information on how the program defines “Alberta-based” and “level of ownership”, please refer to the “Definitions” section of these guidelines.

Eligibility Criteria

For corporations

To be eligible, a corporation must:

- be primarily engaged in film, television and/or digital media production;
- be incorporated in Alberta under the *Business Corporations Act*, registered as an extra-provincial company in Alberta and/or continued as an Alberta company through a Certificate of Continuance; and
- not be exempt from paying taxes under the *Alberta Corporate Tax Act* (or be controlled by a corporation that is).

Please Note: Applications to the program may be submitted by an ineligible parent corporation on behalf of an eligible corporation that will be established in the future.

However, an Authorization Letter will only be issued to an eligible corporation that meets all of the criteria above. For more information on Authorization Letters, please refer to the “After you Apply” section of these guidelines.

For productions

A production is defined as a segment of content intended for broadcast, distribution or streaming, and may include a single production or a series of related productions that are produced or aired over a common time period.

To be eligible, a production must:

- have total production costs of \$499,999 CAD (before GST) or greater;
- not have received funding from the Alberta Production Grant or the Alberta Screen-Based Production Grant;
- be a new production – repackaging of previously completed productions is not permitted under the program and will be deemed ineligible;
- not yet have commenced Alberta principal photography, and must begin principal photography no later than 6 months after an Authorization Letter is issued. For more information on Authorization Letters, please refer to the “After you Apply” section of these guidelines.

Please Note: Applicants that applied under the transitional provision may not be required to meet the above criteria. For more information on the transitional provision, please refer to the “Definitions” section of these guidelines.

Genres of production and platforms NOT eligible for funding are:

- news, current events or public affairs programming, or a program that includes weather or market reports;
- talk shows;
- a production in respect of a game or contest;
- professional/franchise sporting events or activities (a production that consists of live or pre-recorded coverage of a professional game, match, competition or tournament; and/or pre and post-game shows for sports events or activities);
- a gala presentation or an awards show (a production that consists of live or pre-recorded coverage of a gala or awards show; and/or pre and post-game shows for galas or awards shows);
- a production that solicits funds;
- pornography/adult entertainment;
- advertising;
- reality television;
- a production produced primarily for industrial, corporate or institutional purposes;
- a production, other than a documentary, that consists of more than 25 per cent stock footage;
- video games; and
- a production for which financial support would, in the opinion of the Minister, be contrary to public policy (for more information on what is considered contrary to public policy, please refer to the “Definitions” section of these guidelines).

Additional eligibility requirements

Commercial License Agreement

At the time of submission, applicants must provide written evidence of a commercial license agreement(s). A commercial license agreement is defined as an agreement issued by a third-party entity whose primary business is broadcasting, distributing or disseminating film, television or digital content to the public, and who is able to demonstrate a track record of such enterprise. A commercial license agreement does not require a license fee; however, agreements in which the applicant has purchased airtime are not eligible.

In situations where no commercial license agreement exists, (e.g. studio-financed productions, or productions by streaming providers), applicants may provide a letter on studio letterhead signed by a studio executive confirming that no such agreement exists, and that the production will be available through their platform.

Confirmed Financing

Applicants must provide documentation substantiating 50% confirmed financing for the production—(excluding Government of Alberta funding). Substantiation for grants or equity investments could include executed agreements or other documents that demonstrate the funds are secured or awarded. Applications for federal film and television tax credits, such as the Film or Video Production Services Tax Credit (PSTC) and the Canadian Film or Video Production Tax Credit (CPTC), may be considered secured financing.

Applicant productions that are fully studio-financed or fully financed by streaming providers may provide a letter on studio letterhead signed by a studio executive confirming that the production is fully funded (100%) by the studio/streaming provider and that no other financing exists.

Eligible Alberta Production Costs

Eligible production costs generally include all expenditures where goods or services are purchased, consumed or used in Alberta and are considered an essential cost incurred as a normal part of business.

Production costs incurred or paid outside of Alberta are not eligible for a tax credit.

For goods or services to be considered an eligible Alberta production cost, the items must meet the following criteria:

- be listed on the Estimated Total Production Costs worksheet found on the program webpage;
- be purchased directly from businesses located in Alberta;
- be incurred and **fully paid** in Alberta during the [eligibility period](#) (which, as per the Definitions section of these guidelines starts on the date that preproduction begins and ends when final deliverables are received by the program);
- be directly related to the portion of the production that occurs in Alberta; and
- be considered an essential cost incurred as a normal part of business.

Costs incurred by a parent corporation on behalf of a wholly-owned subsidiary that is an eligible corporation may be eligible for a tax credit certificate, provided the parent corporation has been reimbursed by the subsidiary.

Goods or services cannot be purchased from an Alberta company that has sub-contracted the procurement of the goods or services to out-of-province individuals or organizations.

Invoices and/or proof of payment for all production costs must be maintained and provided to the program upon request.

Salary or wage costs

For salary or wage costs to be considered eligible, the expense must meet the following criteria:

- be listed on the Estimated Total Production Costs worksheet found on the program webpage;
- be incurred in Alberta and paid in full during the [eligibility period](#) (which, as per the Definitions section of these guidelines starts on the date that preproduction begins and ends when final deliverables are received by the program);
- be directly related to the portion of the production that occurs in Alberta; and
- be paid by the eligible corporation to employees who completed the work in Alberta and who meet the definition of Alberta-based.

Costs of *service contractors or employees of *service contractors engaged by the applicant are also eligible, provided they meet the criteria above.

Note: Industry may refer to service contractors as loan out companies. Expenses for “loan out companies” may be permitted if they meet the criteria above.

Please Note: The production must ensure that each Alberta-based individual completes and signs the Individual Residency Declaration. The declarations must be kept by the production and provided to the program upon request. For more information on the Individual Residency Declaration, please refer to the “Definitions” section of these guidelines.

Documentary productions

Documentary productions may also be eligible for a tax credit certificate for salary or wage expenses of Alberta-based individuals working on the principal photography outside of Alberta. These expenses must meet the following criteria:

- be listed on the Estimated Total Production Costs worksheet found on the program webpage;
- be incurred and paid in full during the [eligibility period](#) which, as per the Definitions section of these guidelines starts on the date that preproduction begins and ends when final deliverables are received by the program); and
- be paid by the eligible corporation to employees who completed the work outside Alberta and who meet the definition of Alberta-based.

Please Note: The production must ensure that each Alberta-based individual completes and signs the Individual Residency Declaration. The declarations must be kept by the production and provided to the program upon request. For more information on the Individual Residency Declaration, please refer to the “Definitions” section of these guidelines.

Eligible production cost limitations

A number of expenses have further eligibility requirements and limitations as follows:

Expense Item	Requirement / Limitation
Travel	Travel is considered an eligible Alberta cost only if the origin AND destination are within Alberta provincial borders. With the exception of documentary productions where travel is specifically required as part of production.
Insurance	Commercial general liability insurance must be prorated to the number of production days and must be purchased from an Alberta vendor with an Alberta address on the invoice to be eligible. Film production insurance must be prorated to the number of shoot days if not purchased from an Alberta vendor. Film production insurance purchased from an Alberta vendor can be claimed in full if the invoice has an Alberta address.
Salaries/fees determined by reference to profit or revenues	Ineligible
In-kind contributions	Ineligible
Tangible property expenditures	Tangible property refers to real estate property, such as land, buildings, etc. The lease or rent of a property is eligible, but the purchase is not. Items such as production equipment, props, sets, etc, may be eligible expenses, as they are not considered Tangible Property by the program.
Expenses directly associated with a live performance, awards show or sporting event	Ineligible

Expense Item	Requirement / Limitation
Overhead	For the purposes of the program, overhead is defined as rent, taxes, and other expenses for office and administrative space including repairs, maintenance, and other costs of office furniture and equipment. Salaries and benefits for company directors, accounting, legal insurance; and office supplies. Applicants claiming costs in line items specific to the above costs are not eligible for a bulk overhead deduction. Documentation may be requested to validate any overhead costs claimed. Overhead costs claimed under Section 42 of the cost worksheet must not exceed 12% of the total budget. Documentation may be required to validate claims.
Living expenses/office expenses	Reasonable living and office expenses may be eligible. Living expenses for individuals who normally reside in the same area as the production are not eligible.
Contingency	Contingency amounts of up to 10% of eligible Alberta costs may be deemed eligible if requested. These costs can be included in the "Other Costs" tab of the Estimated Total Production Cost worksheet.

Related party transactions

A related party transaction is a transaction that takes place between two parties who have an existing relationship prior to the transaction. Related party transactions may be included as eligible Alberta expenses at the exchange amount up to a maximum of fair market value. However, to be accounted for at the exchange amount, the expenses must:

- be listed on the Related Party Transactions form found on the program webpage;
- be identified at the time of application, and upon requesting a tax credit certificate;
- be in the normal course of operations of the provider; and
- have commercial substance.

Two categories of related party transactions are considered eligible Alberta expenses:

- **Related party salary or wages:** The cost of salary or wages for individuals hired by a related party and allocated, in whole or in part, to the applicant for the production must correspond to the actual amount paid to the individual and be in accordance with the employment or engagement contract signed with the employer.
 - Related party salary or wage costs must correspond to the actual cost for the period of time worked on the production. If personnel worked on more than one production for a related party and is paid by the related party, there must be appropriate documentation showing the amounts charged to each production.
- **Goods and services supplied by related parties:** Goods and services provided to the applicant by a related party may be accounted for at the exchange amount up to a maximum of fair market value.

FTTC program staff reserve the right to revise the calculation and eligibility of related party transaction costs in cases where costs are considered unreasonable or are misrepresented. Applicants granted approval of related party costs must be able to reasonably demonstrate the appropriateness of the amount and that the cost was incurred.

How to Apply

Intake for the program is continuous but may be subject to budget availability.

All applications must be submitted through the online application portal. A link to the portal is available on the program webpage at www.alberta.ca/film-television-tax-credit.aspx.

If you have questions during the application process, please refer to the Film and Television Tax Credit Application Companion Guide available in the “Supplementary Forms and Documents” section of the program webpage.

Create a user account through the online application portal

Applicants can access an online application portal

through the FTTC program webpage at www.alberta.ca/film-television-tax-credit.aspx.

When logging into the online application portal for the first time, applicants will be prompted to create a My Alberta Digital ID (MADI) user account with a secure login name and password.

Once the account has been created, applicants will gain access to the online application portal, which hosts the forms and templates required for application submission and tax credit certificate request.

Submit an online application

The information and supporting documentation required as part of the application submission includes:

- Applicant’s corporate information, including Articles of Incorporation and capitalization table;
- A detailed Production Plan, which includes:
 - An overview of the production;
 - Estimated economic impact on Alberta and Alberta’s film and television industry;
 - A completed Estimated Total Production worksheet that includes:
 - Estimated total production costs more information on total production costs, please refer to “Definitions” section of these guidelines);
 - Estimated eligible production costs expenditures);
 - Evidence of financing;
 - Estimated designated assistance (for more information on designated assistance, please refer to the “Definitions” section of these guidelines);
 - Proposed timeline of production, including dates for the start of principal photography and completion of production;
 - Commercial distribution plan and copies of all commercial licensing agreements;
 - Copy of chain of title documentation, including evidence of copyright retention (if applicable)

Please contact the program area by email at fttc_program@gov.ab.ca if you have any questions.

Costs
(for
the
(Alberta

- Information on related party transactions (if applicable);
- Copies of co-production agreement(s) (if applicable); and
- Any additional documentation requested by program staff after the application has been submitted.

Please Note: With the exception of applicants that applied under the transitional provision, applicants must not have begun principal photography before submitting an application to the program.

It is the responsibility of the applicant to ensure all relevant documentation is completed as stated in the guidelines and submitted with the application.

Program staff may request additional documentation and information to assist in the assessment and evaluation of an application. The program staff, however, reserve the right to rely solely on materials initially submitted with the application.

If at any time, an applicant provides false information or omits material information to the program, the applicant may be:

- deemed ineligible for a tax credit certificate for the current production(s); and
- deemed ineligible for tax credit certificates for future productions.

Please Note: Applicants are required to notify program staff of changes to their production within 30 days of the change. For more information on the instances that require notification, please refer to the “Changes to the Production Plan” section of these guidelines.

After You Apply

Assessment of applications

Once an application is received, the application is reviewed by program staff for completeness.

If an application is deemed complete, it is then screened for eligibility and evaluated.

All eligible applications will be evaluated for the production’s economic impact in Alberta and its benefit to Alberta’s film and television industry.

Applications are then reviewed and approved by the Minister.

Notification and Authorization Letters

Successful applicants will receive an Authorization Letter advising them of the maximum tax credit certificate they may be eligible to receive.

The maximum tax credit certificate amount will be calculated by multiplying the applicable tax credit rate by the estimated eligible production costs verified by the program.

Please Note: Program staff may adjust the estimated eligible production cost amount and the maximum tax credit certificate amount relative to the amount proposed based on eligibility.

Applicants must respond within 14 days of receiving the Authorization Letter to indicate their acceptance of the letter and to provide any documentation requested in the letter.

Unsuccessful applicants will be notified in writing of the result. Applicants are permitted to reapply once within 12 months of receiving notification that their initial application was declined, even if they have already begun principal photography on the production.

Principal photography and production

Once an applicant has received an Authorization Letter, they must begin principal photography on the production no later than 6 months after the date of issuance of the Authorization Letter.

The production must be completed, and final deliverables provided to the program, within 42 months of the date of issuance of the Authorization Letter. These dates will be outlined in the Authorization Letter.

Changes to the Production Plan

Applicants must notify the program of changes to their Production Plan within 30 days of the change occurring, including details on why the change was made.

Failure to inform the program in the allotted timeframe may result in the revocation of the Authorization Letter.

Applicants must notify the program of any changes to the following aspects of the Production Plan:

- the proposed timeline of the production
- the date on which Alberta principal photography is expected to begin
- evidence of sufficient financing to enable the production to reach completion of production
- the commercial distribution plan of the final production
- the person or persons that control the applicant corporation
- the budget of the portion of the production that occurs in Alberta
- the copyright ownership of the production (if applicable)
- any factors that may affect the applicant's ability to meet the requirements of the Alberta *Film and Television Tax Credit Act* (the Act), the Film and Television Tax Credit Regulation (the Regulation) or Program Guidelines.

The Minister may issue a revised Authorization Letter based on updated information provided by the applicant.

Requesting a Tax Credit Certificate

Only applicants who are successful and receive an Authorization Letter are eligible to request a tax credit certificate. Applicants must request a tax credit certificate through the online application portal after the completion of production. A step-by-step Tax Credit Request Application Companion Guide will be made available through the program webpage.

A production is deemed to have reached "completion of production" when the following deliverables are received by the program via the online application portal:

- Audited financial statement of production costs;
- A copy of the completed production in DVD or Blu-ray format; or in a digital format available for a sufficient period of time, deemed acceptable by the program.
- An updated capitalization table, if modified;
- Actual timeline of the production including confirmation of principal photography start date;
- A completed Actual Cost Worksheet that includes:
 - Actual total production costs (for more information on total production costs, please refer to the "Definitions" section of these guidelines)
 - Actual eligible production costs (Alberta expenditures);
- Secured designated assistance, if applicable (for more information on designated assistance, please refer to the "Definitions" section of these guidelines);
- Copy of chain of title documentation, if applicable. If applying for 30% tax credit, chain of title documentation must include evidence of copyright retention;

- Commercial distribution plan and copies of all commercial license agreements (if changed from time of application);
- Information on related party transactions (if applicable); and
- Any other documentation as outlined by the program.

The maximum tax credit certificate amount that can be requested is shown on the Authorization Letter. Requests for a tax credit certificate exceeding the amount outlined in the Authorization letter will not be considered.

Upon receipt of a request for a tax credit certificate, program staff will assess the final project materials for adherence with the *Film and Television Tax Credit Act*, Regulation and program guidelines.

To determine the amount of the tax credit certificate, the program will review the following:

- the tax credit rate the production applied for;
- the estimated tax credit certificate amount provided in the Authorization Letter; and
- the eligibility of each of the actual production costs.

Program staff will calculate the amount of the tax credit certificate by multiplying the tax credit rate the production is eligible for by the actual eligible production costs verified by the program.

Please Note: Program staff may adjust the actual eligible production cost amount and the tax credit certificate amount relative to the amount requested based on eligibility.

Requirements for Audited Production Costs Statement

The auditor engaged to conduct the certification of the final production cost statement of a given production must be independent of the applicant and/or its Board of Directors, within the definition of independence as defined by the CPA Canada Handbook. The Independent Auditor must carry out their work in accordance with Generally Accepted Auditing Standards (GAAS) for audit and be familiar with the industry and its practices.

The Audited Production Costs statement must outline the actual amounts of the following:

- Alberta Labour Costs
- Alberta Non-Labour Costs
- Sources of production financing
- Designated Assistance acquired
- Total Production Costs – **verified total amount only**
- Non-Alberta Non-Labour Costs – **verified total amount only**
- Non-Alberta Labour Costs – **verified total amount only**

All of the above must be outlined in Canadian dollars (CAD). If clarification is required, the Independent Auditor is encouraged to contact the program at ftc.program@gov.ab.ca

Delivery of Tax Credit Certificates

Once a tax credit certificate has been approved, applicants will receive notification of approval. Applicants will then be able to access and download their tax credit certificate through the online application portal.

The applicant is responsible for filing the tax credit certificate as part of their corporate tax filing.

A corporation may request that its corporate income tax refund cheque be redirected to its lender as security for bridge financing of its Alberta film or television production. This can be done by including a letter with the corporation's AT1 form for the respective taxation year that outlines:

- the name and address of the recipient
- an acknowledgment that the redirection of the refund does not affect the legal rights of set-off in favour of the Tax and Revenue Administration (TRA)

Please refer to the [Film and Television Tax Credit special notice](#) for additional information on redirecting corporate income tax refunds, including a sample letter. A link to the special notice can be found on the program's webpage.

Recognition Requirements

Applicants are required to fulfill the following recognition requirements to receive a tax credit certificate:

- Onscreen credit
 - "Produced with the assistance of the Government of Alberta" either alone or in combination with other agencies or institutions that provided financial support. **The credit should be in a position, size, and prominence that is proportionate to the financial contribution to the production;** and
 - "Shot on location in Alberta, Canada" in the tail credits of the production (where applicable). The Government of Alberta logo must also be included
- Advertising, publicity and/or promotional materials credit may be requested where reasonable.
 - "Produced with the assistance of the Government of Alberta" **in a position, size, and prominence that is proportionate to the financial contribution to the production** may be requested. The Government of Alberta logo may also be included.
 - Where the production is a series, these credits are required for each episode.

If the applicant has been approved for the 30% tax credit rate, a single card credit must also be provided to the Alberta-based producer, or shared by multiple Alberta Producers if amenable.

If the applicant fails to fulfil their credit/promotional obligation, the Minister reserves the right to request revisions prior to issuing a tax credit certificate. Applications made under the transitional provision may request an exemption to the above requirements. The request for exemption should be made in writing to the program and submitted at the time of tax credit certificate request (or earlier).

Please Note: The production must request the Government of Alberta logo directly from program staff for use in advertising, publicity and/or promotional materials.

In productions where multiple Alberta-based producers are engaged, it is acceptable for the Alberta-based producers to share a credit.

Holding Requirement

Productions that receive a 30% tax credit certificate are required to have an Alberta-based individual, partnership, or corporation own, at least in part, the copyright of the production, for 10 years after completion of production.

A transfer of the production's copyright during this holding period is permitted, provided the copyright remains owned, at least in part, by an Alberta-based individual, partnership, or corporation.

Failure to comply with this holding requirement may result in the tax credit certificate being revoked and a new tax credit certificate issued at the 22% rate.

Contact Information

If you have questions during the application process, please refer to the Film and Television Tax Credit Application Companion Guide available in the "How to Apply" section of the program webpage.

Alternatively, contact program staff by email at ftc.program@gov.ab.ca.

Additional Information

These guidelines are for the information and convenience of program applicants. They complement the *Film and Television Tax Credit Act* and the Film and Television Tax Credit Regulation and provide an overview of the program objectives and how the program is administered. Compliance with the Act, the Regulation, and Program Guidelines is a pre-requisite to apply for the program.

Productions approved for a tax credit certificate are subject to the requirements outlined in the Act, Regulation, and guidelines on the date of application submission. These guidelines may be changed or modified as required.

Please consult the program website at www.alberta.ca/film-television-tax-credit.aspx for the latest guidelines and documentation.

Freedom of Information and Privacy (FOIP)

The Freedom of Information and Protection of Privacy Act (FOIP Act) applies to any information that is provided to the Government of Alberta. This information may be subject to disclosure pursuant to the FOIP Act in response to an access to information request.

Information collected by the Government of Alberta is collected in accordance with section 33(c) of the FOIP Act for the purposes of administering the Alberta Film and Television Tax Credit program, assessing, evaluating and promoting the Alberta Film and Television Tax Credit program, and use in research and statistical analysis. Use and disclosure of personal information is limited by the privacy protection provisions in the FOIP Act. Questions concerning the collection and use of this information should be directed to program staff by email at ftc.program@gov.ab.ca.

Appendix: Definitions

Alberta-based

For individuals: files an Alberta Income Tax return as a resident of Alberta and did so for at least one of the three tax years immediately preceding the one in which principal photography of the production commences or commenced.

For individuals for the purposes of copyright ownership: was a resident of Alberta on December 31 of the year preceding the one in which principal photography of the production commences or commenced.

For corporations: has a permanent establishment in Alberta (as defined in the *Alberta Corporate Tax Act*).

For partnerships: was a resident of Alberta on December 31 of the year preceding the one in which principal photography of the production commences or commenced.

Completion of production

A production is deemed to have reached “completion of production” when the following deliverables are received by the program via the online application portal:

- A completed final report form submitted via the online application portal;
- A copy of the completed production in DVD or Blu-ray format, or a digital format deemed acceptable by the program;
- An updated capitalization table, if modified;
- A summary of the production’s economic impact provided to Alberta and Alberta’s film and television industry;
- Actual timeline of the production including confirmation of principal photography start date;
- Audited financial statement of production costs;
- A completed Actual Cost Worksheet that includes:
 - Actual total production costs (for more information on total production costs, please refer to the “Definitions” section of these guidelines)
 - Actual eligible production costs (Alberta expenditures);
- Secured designated assistance, if applicable (for more information on designated assistance, please refer to the “Definitions” section of these guidelines);
- Copy of chain of title documentation. If applying for 30% tax credit, chain of title documentation must include evidence of copyright retention;
- Commercial distribution plan and copies of all commercial license agreements (if changed from time of application);
- Information on related party transactions (if applicable); and
- Any other documentation as outlined by the program.

Contrary to public policy

With respect to the FTTC program, productions that are contrary to public policy are those that incite hatred against an identifiable group or have a dominant characteristic which is the undue exploitation of sex, violence involving one or more crimes, horror or cruelty.

Copyright ownership

Productions that are applying for a 30% tax credit are required to have an Alberta-based individual, partnership, or corporation own, at least in part, the production’s copyright for the following time periods:

- Time of application submission to the completion of production; and
- 10 years after completion of production

A transfer of the production’s copyright during these periods is permitted, provided the copyright remains owned, at least in part, by an Alberta-based individual, partnership, or corporation.

Designated assistance

Any private or public financial support applied for, or provided to, the production. The amount of designated assistance received by an applicant that provides financial support for Alberta expenditures is deducted from the eligible Alberta costs to calculate the tax credit certificate amount. The estimated FTTC is not considered designated assistance.

Please Note: Grants, tax credits or other designated assistance that provide financial assistance for costs incurred in another jurisdiction will not be used to reduce a production's Alberta tax credit. For example, an Ontario non-government grant that provides support for expenses incurred in Ontario will not impact the value of the tax credit for the FTTC. However, if another program provides support for all production expenses (including those paid in Alberta) the FTTC program will proportionally reduce the eligible Alberta tax credit amount (except in the case of the PSTC and CPTC).

Designated assistance includes supports such as:

- grants
- subsidies
- Provincial tax credits (e.g. film and television tax credits from other jurisdictions)
- non-bona fide loans (e.g. forgivable loans)
- an advance other than a recoupable advance
- donations in respect of which the donors have received a benefit
- sponsorships in which there is exchange of benefits above fair market value

But does *not* include supports such as:

- federal film and television tax credits, such as the Film or Video Production Services Tax Credit (PSTC) and the Canadian Film or Video Production Tax Credit (CPTC)
- bona fide loans with set repayment dates
- license fees
- equity investments

At the time of application, applicants must provide information on the estimated designated assistance which includes:

- designated assistance that has been secured
- designated assistance that has been applied for
- designated assistance that will be applied for

At the time of tax credit request, applicants must provide information on all designated assistance that was secured and provided to the production (i.e. secured designated assistance).

Please Note: Grants, tax credits or other designated assistance that provide financial assistance for costs incurred in another jurisdiction will not be used to reduce a production's Alberta tax credit. For example, an Ontario non-government grant that provides support for expenses incurred in Ontario will not impact the value of the tax credit for the FTTC. However, if another program provides support for all production expenses (including those paid in Alberta) the FTTC program will proportionally reduce the eligible Alberta tax credit amount.

Eligibility period

The eligibility period is the period beginning on the date that preproduction begins and ending on the date of completion of production.

Individual residency declaration

The individual residency declaration must be completed by all persons who meet the definition of Alberta-based in order for their salary, wage or service contract amount to be eligible for a tax credit certificate. This includes eligible individuals who are:

- directly employed by the applicant;
- *service contractors engaged by the applicant; and
- employees of *service contractors engaged by the applicant.

Note: Industry may refer to service contractors as loan out companies. If the expenses for service contractors and/or employees of service contractors are submitted as eligible Alberta expenses, the individuals engaged must complete the individual residency declaration .

The Individual Residency Declaration can be found on the program webpage.

The declarations must be retained by the applicant and provided to the program upon request.

Level of ownership

The level of ownership in a production must be calculated to determine the:

- proportion that the Alberta-based producer(s) exercises financial control over the production; and
- proportion that the Alberta-based producer(s) shares in the profits arising through the exploitation of the production. Back-end participation must be commensurate with the Alberta-based producer's financial participation in the project.

In the event there is an issue not covered by the published criteria, the program will determine whether an applicant has satisfactorily established the appropriate degree of Alberta-based ownership.

Calculating the Proportion of Ownership

Applicants must complete the appropriate calculation(s) to determine the proportion of ownership and ensure the eligibility requirements are met. The capitalization table(s) should be used in calculating the proportion of ownership

If ownership is held by:

- an individual- ownership will be determined by evaluating the proportion of voting shares held by Alberta-based individuals as compared to the total number of voting shares.
- a corporation- ownership will be determined by evaluating the proportion of voting shares held by Alberta-based shareholders as compared to the total number of voting shares.
- a partnership- ownership will be determined by evaluating the proportion of control by Alberta-based partners as compared to the total number of partners.

Please Note: If a production is owned in part by a corporation(s) or partnership(s) the proportion of ownership of these entities must first be determined and then incorporated into the calculation of the proportion of ownership of the production.

Reality television/ surveillance television

A production that consists of scenes recorded on private or public authority surveillance equipment. This program television category also includes programming currently known as court television and similar formats (also known as “surveillance television”).

Talk shows

Programming that primarily consists of one or more hosts and guests who provide personal, ad lib, unscripted viewpoints, opinions or experiences. Such programming may incorporate elements of other genres, including but not limited to live or recorded variety shows and musical acts and is typically, but not necessarily, shot in one location and may include experts and audience members.

Tangible property

Tangible property refers to real estate property, such as land, buildings, etc.

Total production costs

Total production costs include the following:

- eligible expenses incurred in of Alberta;
- **Total** expenses incurred in Alberta that are not eligible for a tax credit certificate; and
- **Total** expenses incurred outside of Alberta that are not eligible for a tax credit certificate.

At the time of application, applicants must provide information on the estimated total production costs. Actual total production costs, and an audited financial statement, will be provided at the time of tax credit certificate request.

Transitional provision (January 29, 2020 – March 31, 2021)

Productions that began principal photography between March 1, 2019, and January 28, 2020 were eligible to apply to the program until March 31, 2021.

Productions that applied under the transitional provision may be exempt from the eligibility criteria below:

- Eligible productions must be new productions. Repackaging of previously completed productions is not permitted under the program and will be deemed ineligible.
- Applicants must begin principal photography on the production no later than 6 months after an Authorization Letter is issued.
- The recognition requirements to receive a tax credit certificate:
 - Onscreen credit
 - "Produced with the assistance of the Government of Alberta" either alone or in combination with agencies or institutions that provided financial support. The credit should be in a position, size and prominence that is proportionate to the financial contribution to the production.; and
 - "Shot on location in Alberta, Canada" in the tail credits of the production (where applicable). The Government of Alberta logo must also be included;
 - Advertising, publicity and/or promotional materials credit, may be requested where reasonable.
 - Produced with the assistance of the Government of Alberta" in a position, size and prominence that is proportionate to the financial contribution to the production may be requested. The Government of Alberta logo may also be included;
 - Where the production is a series, these credits are required for each episode.

Applicants wishing to be exempt from the recognition requirement must submit an exemption request in writing to the program via email to fttc.program@gov.ab.ca at the time of tax credit certificate request (or earlier).

