

Tax and Revenue Administration (TRA)

Alberta Corporate Tax Act

Special Notice Vol. 5 No. 55

Film and Television Tax Credit

Last updated: February 20, 2020

NOTE: This special notice is intended to explain legislation and provide specific information. Every effort has been made to ensure the contents are accurate. However, if a discrepancy should occur in interpretation between this special notice and governing legislation, the legislation takes precedence.

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Introduction

As announced in Budget 2019, the Government of Alberta's continuing support of the film industry is moving from grant-based support to a tax credit program.

The *Film and Television Tax Credit Act* (FTTC Act) was enacted as part of the *Fiscal Measures and Taxation Act, 2019*, which was proclaimed in force effective January 28, 2020. The FTTC Act established the Film and Television Tax Credit (FTTC), a new refundable tax credit for corporations. Sections 26.94 has been added to the *Alberta Corporate Tax Act* (ACTA) in order to implement the FTTC.

The former Screen-based Production Grant is now closed.

TAX AND REVENUE ADMINISTRATION
9811 - 109 STREET NW, EDMONTON AB T5K 2L5

- Email: TRA.Revenue@gov.ab.ca
- Website: tra.alberta.ca
- Phone: 780-427-3044
- Fax: 780-427-0348

Note: for toll-free service in Alberta, call 310-0000, then enter the number.



Administration of the Film and Television Tax Credit

The application process for the FTTC is administered by Alberta Economic Development, Trade and Tourism (EDTT), which will issue to eligible applicants certificates indicating the amount of the respective tax credit to which the corporation is entitled. The claiming of the FTTC is administered by Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA).

A corporation may deduct the FTTC in a particular taxation year to a maximum of the amount shown on the respective FTTC certificate issued by EDTT and the respective Alberta corporate tax payable calculated before deducting the FTTC. Because the FTTC is refundable, the amount by which the corporation's FTTC exceeds the corporation's tax otherwise payable under the ACTA for the year, net of any other Alberta tax, interest, penalties or other amount owing by the corporation to Alberta, will be paid to the corporation.

The amount of FTTC that a corporation may deduct from tax payable is reported on line 087 of the Alberta Corporate Income Tax Return (AT1). The AT1 is available on the [Corporate Income Tax program page](#) of the Government of Alberta website. The FTTC should not be claimed on the AT1 until the respective certificate has been issued. Claimants are not required to file the certificate along with the AT1, but claimants should be prepared to provide a copy of the certificate upon the request of TRA.

Redirection of Corporate Income Tax Refund

A corporation entitled to an FTTC may request that its corporate income tax refund for the respective taxation year be redirected, for example, to its lender as security for bridge financing of the respective Alberta film or television production. Redirecting the refund does not affect the legal rights of set-off in favour of Alberta, which has no obligation toward the person to whom the refund is redirected. Therefore, the recipient's rights are subject to the legal rights of set-off in favour of Alberta. All corporate income tax refund cheques will be issued in the name of the corporation entitled to the FTTC.

A corporation may request that its refund cheque be redirected to its lender, or to another person, by including with its AT1 for the respective taxation year a letter that includes all pertinent information, including the name and address of the recipient and an acknowledgment that the redirection of the refund does not affect the legal rights of set-off in favour of TRA. The preferred form of sample letter is provided as [Appendix I](#).

Additional Information

For information on the former Screen-based Production Grant and transition to the FTTC, refer to the [Screen-based Production Grant program page](#) of the Government of Alberta website.

For additional information on the new FTTC, refer to the [FTTC program page](#) of the Government of Alberta website.

For complete information on Alberta's Corporate Income Tax Program, refer to the [Corporate Income Tax program page](#) of the Government of Alberta website.

Contact Information and Useful Links

Email TRA:	TRA.Revenue@gov.ab.ca
Visit our website:	tra.alberta.ca
Subscribe to receive email updates:	tra.alberta.ca/subscribe.html
TRA Client Self-service (TRACS):	tra.alberta.ca/tracs

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APPENDIX I
SAMPLE LETTER TO REDIRECT CORPORATE INCOME TAX REFUND

[Date]

[Legal Name of Corporation]
[Mailing Address of Business]

Alberta Treasury Board and Finance
Tax and Revenue Administration
Revenue Operations, CIT Returns Processing Group
4E Haultain Building
9811 – 109 Street NW
Edmonton, AB T5K 2L5

Dear Sir or Madam:

Re: [Legal Name of Corporation]
[Taxation Year Ending]
[Alberta Corporate Account Number]
Redirection of Corporate Income Tax Refund

With respect to the above-noted taxation year, it is hereby requested that any amount of Alberta corporate income tax, including any applicable refund interest, which otherwise would be refunded to the above-noted corporation, be redirected as follows:

[Name of Recipient]
[Mailing Address of Recipient]
[Attention (if applicable)]

It is hereby acknowledged that the refund cheque will be issued in the name of the above-noted corporation and that the request to redirect the refund does not affect the legal rights of set-off in favour of Alberta, which has no obligation toward the recipient.

Sincerely,

[Signature of authorized signing officer]

[First and Last Name]
[Position, Office or Rank]
[Telephone Number]