

CANADIAN AND INTERNATIONAL FILM INCENTIVES

UNITED STATES OF AMERICA		
State	Type	Amount
Florida	P.R. ⁵	5%
Hawaii	P.T.C. ^{*6}	4%
	I.T.C. ^{**2}	100% film investment credit
Illinois	L.T.C. ^{**4}	25% on 1 st \$25,000 wages Hotel tax exemption
Louisiana	L.T.C. ^{**4}	10-20%
	I.T.C. ^{**2}	10-15% investment
Missouri	P.T.C. ^{**6}	50%
New Jersey	Loan Gty	30% of private loans
New Mexico	P.T.C. ^{*6}	15%
	Loans	100% finance loan
New York	P.T.C. ⁶	10% 5% New York City
Rhode Island	P.T.C. ^{**6}	25%
Oklahoma	P.R. ⁵	15%
Oregon	P.R. ⁵	10%
Pennsylvania	P.T.C. ^{**6}	20%
South Carolina	L.R. ³	5%
	T.C. ^{**8}	20% of investment in Prodc
Utah	P.R. ⁵	10%
Federal	T.D. ⁹	100% deduction

Unless otherwise specified, the incentives are calculated or based on expenditures made in the applicable jurisdiction. Not all details concerning the incentives are included for summary purposes.

CANADA		
Province	Type	Amount
Alberta	Production Grant	20% of Prod. Costs
British Columbia	L.T.C.* (Content) ⁴	30%†
	L.T.C.* (Prod Services) ⁴	18%†
Manitoba	L.T.C. ^{*4}	35%
New Brunswick	L.T.C. ^{*4}	40%
	Equity Investment	\$400,000.
Newfoundland & Lab	L.T.C. ^{*8}	40%
	Equity Investment	Max 25% budget
Nova Scotia	L.T.C. ^{*4}	30%
Ontario	L.T.C.* (Content) ⁴	30%†
	L.T.C.* (Prod Services) ⁴	18%†
Prince Edward Island	Equity Investment	Max 20% Budget
	L.R. ³	30%
Quebec	L.T.C.* (Content) ⁴	29.17%†
	L.T.C.* (Prod Services) ⁴	20%†
Saskatchewan	L.T.C. ^{*4}	35%
Yukon	L.R. ³	35%
	Tr. Rebate ¹¹	50%
Federal	L.T.C.* (Content) ⁴	25%
	L.T.C.* (Prod Services) ⁴	16%

The information contained herein was obtained from third party sources as of January 2005. However BLG does not guarantee the completeness or accuracy of the information provided and all readers are advised to consult professional advisors in respect of their particular circumstances.

INTERNATIONAL		
Country	Type	Amount
Australia	P.T.C. ^{*6}	12.5%
	CCA ¹	100% deduction
Belgium	T.S. ¹⁰	150% deduction of investment
France	P.T.C. ^{*6}	20%
Germany	T.D. ⁹	100% deduction of investment
Hungary	Tax Write-off	20% of costs
Iceland	P.R. ⁵	12%
Ireland	CCA ¹	80% deduction
Isle of Man	Equity Investment	25% of budget
Luxembourg	T.D. ⁹	30%
Netherlands	T.S. ¹⁰	100% deduction
New Zealand	Grant	12.5% of Budget
Puerto Rico	I.T.C. ^{**2}	40% of resident costs
	T.C. ^{**8} Infrastructure	40% equity cash
South Africa	Tr. Rebate ¹¹	15% for Foreign Prod. 25% for S.A. Prod.
	CCA ¹	100% deduction
United Kingdom	T.C. ⁸ S & L ⁷	20% ^{††}

Most incentives mentioned are subject to maximum amounts, conditions and eligibility requirements. Further, some jurisdictions may include additional regional or other bonuses not mentioned here for summary or presentation purposes.

CANADIAN INTERNATIONAL COPRODUCTION AGREEMENTS

Algeria	Bulgaria	Denmark	Hungary	Luxembourg	Norway	Slovak Republic	Uruguay
Argentina	Chile	Estonia	Iceland	Macedonia	Poland	Slovenia	Venezuela
Australia	China	Finland	Ireland	Malta	Rep. of Philippines	South Africa	Yugoslavia (Serbia Montenegro)
Austria	Colombia	France	Israel	Mexico	Romania	Spain	
Belgium	Croatia	Germany	Italy	Morocco	Russian Federation	Sweden	
Bosnia-Herzegovina	Cuba	Greece	Korea	Netherlands	Senegal	Switzerland	
Brazil	Czech Republic	Hong Kong	Latvia	New Zealand	Singapore	United Kingdom	

- * Refundable
- ** Non-Refundable
- † Announced but regulation pending
- †† To come into force in June 2005. Current regime is a 100% tax deduction
- 1 CCA: Capital Cost Allowance

- 2 I.T.C.: Investment Tax Credit
- 3 L.R.: Rebate on eligible labor or employment costs
- 4 L.T.C.: Tax credit calculated on Labor Costs
- 5 P.R.: Rebate of a portion of of qualified production expenses
- 6 P.T.C.: Tax Credit calculated on production expenditures

- 7 S & L: Sale and Leaseback
- 8 T.C.: Tax Credit
- 9 T.D.: Tax Deduction
- 10 T.S.: Tax Shelter
- 11 Tr. Rebate: Travel Rebate

Canada: Winner "BEST" Film Incentives!!!

These days financing your film or TV production requires as much creative ingenuity as the production of the film itself! International film production incentives have put pressure on the production industry to scout for the best jurisdiction to finance and produce films.

Canada remains the "best" overall jurisdiction to produce or co-produce your production. Canada offers world-class film infrastructures, reasonable production costs, unsurpassed settings and the most generous film incentives in the world. Do the math! Canada also has more film co-production treaties with more countries than any other jurisdiction. Therefore, more producers can qualify for more subsidies than any other place on the planet.

World Co-Production Hub!

Q. How does an Algerian producer co-produce a film in Russia? A. Through Canada!

Producers in countries without a co-production agreement can use Canada as their "hub" if each producer's country has a treaty with Canada. This allows films to be made in various jurisdictions while benefiting from each local incentive. Canada, as the "hub", becomes a highly attractive co-production country for optimizing the financing of your films.

Reverse Runaways!

A "Reverse Runaway" production brings back all or part of its production to the USA. By engaging in creative financial structuring, Canadian and foreign producers can benefit from their local incentives and take advantage of the various US state subsidies. In addition, recent U.S. Federal tax incentives make filming in the US even more attractive. In summary, you can now location shoot in the USA without substituting the actual setting and get incentives too!

BLG Entertainment Law Group

BLG's entertainment law group understands the business of film financing, distribution and production. We cater to an extensive network of producers, distributors and financiers in Canada, the USA and internationally. In addition, we have in-depth knowledge of the complex Canadian, US and international tax incentives. Therefore, Borden Ladner Gervais LLP is poised to offer the best legal and business affairs advice needed to help optimize your financial structure and get those films rolling.

www.blgcanada.com

Please contact us to find out more about our National Entertainment Law Group. We look forward to working with you.

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**BLG Entertainment
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**2005
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