

Ontario Production Services Tax Credit (2015 and later tax years)

Protected B
when completed

Corporation's name	Business number	Year	Tax year-end Month	Day
--------------------	-----------------	------	--------------------	-----

- Use this schedule to claim an Ontario production services tax credit (OPSTC) under section 92 of the *Taxation Act, 2007* (Ontario). Complete a separate Schedule 558 for each eligible production.
- The OPSTC is a refundable tax credit that is equal to 25% of the qualifying production expenditure (QPE) incurred after June 30, 2009 and before April 24, 2015 and 21.5% for QPE incurred after April 23, 2015 by a qualifying corporation in a tax year for eligible productions. Transitional rules may allow qualifying production expenditures incurred after April 23, 2015 and before August 1, 2016 to be eligible for the 25% rate (see Part 4). For expenditures incurred after June 30, 2009, only expenditures incurred after the final script stage to the end of the post production stage are eligible for the credit.
- The criteria for a corporation to be eligible for the OPSTC include the eligibility requirements in Part 3 of this schedule.
- A qualifying corporation's OPSTC is nil for an eligible production if it claims the Ontario film and television tax credit for that same production for any tax year.
- Before claiming an OPSTC, a qualifying corporation must obtain a Certificate of Eligibility from the Ontario Media Development Corporation (OMDC) for each eligible production. Enter the certificate information for the production in Part 2 of this schedule.
- The OPSTC is considered government assistance under paragraph 12(1)(x) of the federal *Income Tax Act* and must either be included in income in the tax year the credit is received or deducted from the capital cost of the property. The OPSTC is not considered assistance under subsection 33(4) of Ontario Regulation 37/09 to the *Taxation Act, 2007* (Ontario) for the purposes of calculating the credit itself.
- To claim the OPSTC tax credit, include a completed copy of this schedule for each production and a copy of the certificate of eligibility issued by the OMDC with the *T2 Corporation Income Tax Return* for the tax year. If you are filing electronically, submit a copy of the certificate of eligibility to the appropriate Film Services Unit (FSU) at www.cra-arc.gc.ca/filmservices. The location of the qualified corporation's books and records usually determines which FSU will handle the review of your claim.

Part 1 – Contact information

110 Name of person to contact for more information	120 Telephone number including area code
---	---

Part 2 – Identifying the eligible production

200 Certificate of eligibility number			
210 Production title			
220 Date principal photography began	Year	Month	Day
230 Estimated QPE	240 Estimated OPSTC for the production		

Part 3 – Eligibility

- Did the primary activities of the corporation in the tax year consist of carrying on a film or video production business or a film or video production services business, through a permanent establishment in Ontario? **300** 1 Yes ☐ 2 No ☐
- Was the corporation exempt from tax for the tax year under Part III of the *Taxation Act, 2007* (Ontario) or Part I of the federal *Income Tax Act*? **310** 1 Yes ☐ 2 No ☐
- Was the corporation, at any time in the tax year, controlled directly or indirectly, in any way, by one or more persons, all or part of whose taxable income was exempt from tax under Part I of the federal *Income Tax Act*? **320** 1 Yes ☐ 2 No ☐
- Was the corporation, at any time in the tax year, a prescribed labour-sponsored venture capital corporation? **330** 1 Yes ☐ 2 No ☐
- Have you claimed an Ontario film and television tax credit for the production identified in Part 2? **400** 1 Yes ☐ 2 No ☐

If you answered **no** to question 1; or **yes** to questions 2, 3, 4, or 5, you are **not eligible** for the OPSTC.

Part 4 – Ontario production expenditure incurred before April 24, 2015**Transitional rules:**

The corporation may claim Ontario production expenditures after April 23, 2015 and before August 1, 2016 at the 25% rate if the corporation meets all the following criteria:

- before April 24, 2015, the corporation has entered into at least one written agreement in respect of a qualifying production expenditure for the eligible production with a person that deals at arm's length with the corporation and any of the following criteria.
 - The agreement is in respect of services of a producer, a director, a key cast member, a production crew or a post-production crew.
 - The agreement is in respect of a studio located in Ontario, or a location in Ontario
 - 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
- before August 1, 2015, the corporation applied to the Ontario Media Development Corporation under subsection (6) for a certificate in respect of the production.
- principal photography or key animation for the production began before August 1, 2015.

Eligible wage expenditure paid to Ontario-based individuals, for services rendered in Ontario, that is directly attributable to the eligible production **630** _____ A

Add:

Eligible service contract expenditure, for services rendered in Ontario, that is directly attributable to the eligible production and paid to:

Ontario-based individuals	632 _____	a	
other taxable Canadian corporations (for their Ontario-based employees).	634 _____	b	
other taxable Canadian corporations (solely owned by an Ontario-based individual)	636 _____	c	
partnerships (for their Ontario-based members or employees).	638 _____	d	
Subtotal (total of amounts a to d) ►			640 _____ B

Eligible wage and service contract expenditures incurred by a parent corporation (a taxable Canadian corporation) and transferred to its wholly-owned subsidiary (the corporation) under a reimbursement agreement **645** _____ C

Complete lines 646 and 647 if there is an entry on line 645:

Name of parent corporation **646** _____

Business number of parent corporation **647** _____

Eligible tangible property expenditure directly attributable to the eligible production. **650** _____ D
(see subsection 92(5.6) of the *Taxation Act, 2007* (Ontario))

Ontario production expenditure for the tax year (total of amounts A to D). **651** _____ E

Add: Ontario production expenditure for all previous tax years **652** _____ F

Ontario production expenditure (amount E **plus** amount F) **655** _____ G

Part 5 – Assistance attributable to the expenditure incurred before April 24, 2015

Assistance received for the Ontario production expenditure included in amount G (include amounts received, entitled to be received, or reasonably expected to be received by the corporation or any other person or partnership). **657** _____ 1

Deduct: Amounts repaid under a legal obligation **658** _____ 2

Subtotal (amount 1 **minus** amount 2) (if negative, enter "0") ► **660** _____ e

Deduct: Amounts considered to have been paid/received, as applicable, for the eligible production and included in amount G:

Federal tax credits* **662** _____ 3

Ontario refundable tax credits** **664** _____ 4

Subtotal (amount 3 **plus** amount 4) ► **665** _____ f

Net assistance (amount e **minus** amount f) (if negative, enter "0") **670** _____ H

* Include only the following federal tax credits: Canadian film or video production tax credit, investment tax credit, and investment tax credit of cooperative corporation.

** Include only the following Ontario refundable tax credits: Ontario production services tax credit, Ontario book publishing tax credit, Ontario computer animation and special effects tax credit, and Ontario sound recording tax credit.

Part 6 – Ontario production expenditure incurred after April 23, 2015

Eligible wage expenditure paid to Ontario-based individuals, for services rendered in Ontario, that is directly attributable to the eligible production **730** _____ I

Add:

Eligible service contract expenditure, for services rendered in Ontario, that is directly attributable to the eligible production and paid to: *

Ontario-based individuals **732** _____ g

other taxable Canadian corporations (for their Ontario-based employees) **734** _____ h

other taxable Canadian corporations (solely owned by an Ontario-based individual) ... **736** _____ i

partnerships (for their Ontario-based members or employees) **738** _____ j

Subtotal (total of amounts g to j) **740** _____ J

Eligible wage and service contract expenditures incurred by a parent corporation (a taxable Canadian corporation) and transferred to its wholly-owned subsidiary (the corporation) under a reimbursement agreement **745** _____ K

Complete lines 746 and 747 if there is an entry on line 745:

Name of parent corporation **746** _____

Business number of parent corporation **747** _____

Eligible tangible property expenditure directly attributable to the eligible production** **750** _____ L
(see subsection 92(5.6) of the *Taxation Act, 2007* (Ontario))

Ontario production expenditure for the tax year (total of amounts I to L) **751** _____ M

Add: Ontario production expenditure for all previous tax years **752** _____ N

Ontario production expenditure (amount M **plus** amount N) **755** _____ O

* See Subsection 92(15) of the *Taxation Act, 2007* (Ontario) for the restrictions to tax years starting after April 23, 2015.

** See Subsection 92(16) and 92(17) of the *Taxation Act, 2007* (Ontario) for the restrictions to tax years starting after April 23, 2015.

Part 7 – Assistance attributable to the expenditure incurred after April 23, 2015

Assistance received for the Ontario production expenditure included in amount O (include amounts received, entitled to be received, or reasonably expected to be received by the corporation or any other person or partnership) **757** _____ 1

Deduct: Amounts repaid under a legal obligation **758** _____ 2

Subtotal (amount 1 **minus** amount 2) (if negative, enter "0") **760** _____ k

Deduct: Amounts deemed to have been paid/received, as applicable, for the eligible production and included in amount O:

Federal tax credits* **762** _____ 3

Ontario refundable tax credits** **764** _____ 4

Subtotal (amount 3 **plus** amount 4) **765** _____ l

Net assistance (amount k **minus** amount l) (if negative, enter "0") **770** _____ P

* Include only the following federal tax credits: Canadian film or video production tax credit, investment tax credit, and investment tax credit of cooperative corporation.

** Include only the following Ontario refundable tax credits: Ontario production services tax credit, Ontario book publishing tax credit, Ontario computer animation and special effects tax credit, and Ontario sound recording tax credit.

Part 8 – Qualifying production expenditure (QPE) incurred before April 24, 2015

Ontario production expenditure (amount G in Part 4)	_____	Q
Deduct:		
Net assistance (amount H in Part 5)	_____ m	
QPE from all previous tax years	675 _____ n	
Eligible wage and service contract expenditures incurred by the parent corporation (a taxable Canadian corporation) and transferred to its wholly-owned subsidiary corporation under a reimbursement agreement	680 _____ o	
Subtotal (total of amounts m to o) _____	685 _____	R
Qualifying production expenditure for the tax year (amount Q minus amount R) (if negative, enter "0")	695 _____	S

Part 9 – Qualifying production expenditure (QPE) incurred after April 23, 2015

Complete line T to line V if you have incurred qualifying expenditures after April 23, 2015. Also include Line 1 to line W, If your tax year started after April 23, 2015.

Ontario production expenditure (amount O in Part 6)	_____	T
Deduct:		
Net assistance (amount P in Part 7)	_____ p	
QPE from all previous tax years	775 _____ q	
Eligible wage and service contract expenditures incurred by the parent corporation (a taxable Canadian corporation) and transferred to its wholly-owned subsidiary corporation under a reimbursement agreement	780 _____ r	
Subtotal (total of amounts p to r) _____	785 _____	U
Qualifying production expenditure (amount T minus amount U) (if negative, enter "0")	786 _____	V

Eligible wage expenditure	_____ 1
(for the year, including unclaimed expenditures from a previous tax year)	
Eligible service contract expenditures*	_____ 2
(for the year, including unclaimed expenditures from a previous tax year)	
Eligible wage and service contract expenditures* incurred by a parent corporation (a taxable Canadian corporation) and transferred to its wholly-owned subsidiary (the corporation) under a reimbursement agreement (for the year, including unclaimed expenditures from a previous tax year)	_____ 3
Subtotal (total of amounts 1 to 3) _____	4

Amount 4** $\times 4 =$ _____ s

Deduct:		
Net assistance (amount P in Part 7)	_____ 5	
If a parent corporation (a taxable Canadian Corporation), the eligible wage and service contract expenditures it incurred and transferred to its wholly – owned subsidiary under a reimbursement agreement	_____ 6	
Subtotal (amount 5 plus amount 6) _____	_____ t	
Qualifying production expenditure limit (amount s minus amount t) _____	787 _____	W

Qualifying production expenditure for the tax year	795 _____	X
For tax years starting before April 24, 2015, enter amount V at line 795.		
For tax years that start after April 23, 2015, enter the lesser of amount V or amount W at line 795.		

* Amounts 2 and 3 are restricted to salary and wages paid to Ontario based individuals for services provided under contract.

** Ontario labour expenditures must amount to at least 25% of the total expenditures.

Part 10 – Ontario production services tax credit

QPE for the tax year (amount S in Part 8) incurred before April 24, 2015 **715** _____ × 25 % = _____ Y

QPE for the tax year (amount X in Part 9) incurred after April 23, 2015 **716** _____ × 21.5 % = _____ Z

Ontario production services tax credit (amount Y **plus** amount Z) **720** _____ AA

Enter amount AA on line 460 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 558, add the amounts AA from all the schedules and enter the total on line 460 of Schedule 5.

See the privacy notice on your return.