

Reminder for all applicants to the Manitoba Film & Video Production Tax Credit

Where there is a discrepancy between the guidelines or any other information and the legislation, the legislation always prevails.

Eligible Corporation

The legislation for the Manitoba Film & Video Production Tax Credit (MFVPTC) defines "Eligible Corporation" as follows:

"**eligible corporation**", in relation to an eligible film, means a corporation that

- (a) is a taxable Canadian corporation incorporated under the laws of Canada or of a province of Canada;
- (b) has a permanent establishment in Manitoba;
- (c) is producing an eligible film in the course of a film or video production business that is its primary business; and
- (d) pays at least 25% of its salaries and wages
 - (i) to eligible employees and employees who are eligible non-resident individuals in relation to the eligible film for which the tax credit is claimed, and
 - (ii) except in the case of a documentary, for work performed in Manitoba on an eligible film.
(« corporation admissible »)

For an applicant corporation to be eligible, ALL of the above requirements must be met. The onus is on the applicant to demonstrate that all of the above requirements are met.

- Under subsection (d) above, please note that a corporation **MUST** have at least one employee in order to be able to satisfy the requirement. The onus is on the applicant to demonstrate that it has at least one employee and that the 25% requirement is met. If applicant corporations are unsure whether they have an employee or whether they qualify, it is recommended they contact their regional [Film Services Unit](#) (FSU) of the Canada Revenue Agency (CRA), prior to submitting an application to Manitoba Film & Music.
- Under subsection (c) above, if the **primary** business of a corporation includes other activities, such as the provision of its employees' services to other corporations, the rental of equipment, or the distribution of film or videos, the applicant corporation may not be considered an "eligible corporation" for the MFVPTC. Applicants who do not apply for the MFVPTC under a single-purpose corporation **MUST** pay close attention to this requirement.

Note that where an applicant corporation engages in more than one business, the CRA's assessment of the corporation's primary activity may be based on a review of such factors as the revenues realized by each business, the capital employed in each business, and the time spent by employees, agents

or officers over each business. If applicant corporations are unsure whether they qualify, it is recommended they contact their regional FSU of the CRA, prior to submitting an application to Manitoba Film & Music.

The receipt of any certificate from Manitoba Film & Music does not guarantee a tax credit, as the final determination of the tax credit is performed by the CRA.