

175 Bloor Street East
South Tower, Suite 501,
Toronto, Ontario M4W 3R8
Telephone (416) 314-6858
Fax (416) 314-6876

175 rue Bloor est
Édifice sud, bureau 501,
Toronto, Ontario M4W 3R8
Téléphone (416) 314-6858
Télécopieur (416) 314-6876



May 29, 2008

Dear Clients:

Re: Enhancements to the Film & Television Tax Credits

We are pleased to inform you that the enhancements to the film and television tax credits announced in the Ontario Economic Outlook and Fiscal Review of December 13, 2007 and the Provincial Budget of March 25, 2008, have now passed into law. The enhancements, which affect the Ontario Film and Television Tax Credit (OFTTC) and the Ontario Production Services Tax Credit (OPSTC), consist of the following:

OFTTC:

- The OFTTC rate for domestic productions has been increased from 30% to 35% for labour expenditures incurred after December 31, 2007 and before January 1, 2010.
- The 10% regional bonus continues to be available for the OFTTC.
- First time producers remain eligible for an OFTTC rate of 40% on the first \$240,000 of labour expenditures.

OPSTC:

- The OPSTC rate has been increased from 18% to 25% for labour expenditures incurred after December 31, 2007 and before January 1, 2010.

If you have already received a certificate and wish to claim labour expenditures at the enhanced OFTTC and OPSTC rates, please contact the Corporations Tax Branch of the Ministry of Revenue. You do not need an amended certificate from the OMDC to adjust your claim. If you have any questions, please contact the OMDC's Tax Credits department at (416) 314-6858.

Sincerely,

Jennifer Blitz
Director, Tax Credits & Financing Programs