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**Québec is Positioning Itself as a Film Industry Leader**

**Enhancement of a tax credit to encourage the filming  
in Québec of foreign productions**

**Québec, June 12, 2009** – The Minister of Finance and Minister of Economic Development, Innovation and Export Trade, Raymond Bachand, accompanied by the Minister of Culture, Communications and the Status of Women, Christine St-Pierre, is announcing today a significant tax assistance measure to encourage foreign producers to choose Québec as a location to shoot their productions.

“The film industry makes a substantial contribution to vitality and diversity of our economy. It allows Québec to shine on the international stage. Quebecers who work in this industry are recognized for their skill and talent. Our technicians, crafts people and special effects designers enjoy an enviable reputation. We must continue to support our film industry crafts people. We must continue to take concrete steps to foster Québec’s influence and its talents on the international cultural stage”, Minister Bachand mentioned.

The Minister of Culture, Communications and the Status of Women said: “This is excellent news that adds to the steps the government has already taken in favour of our film and television industry. These measures will enable Québec to be even more competitive regarding foreign productions shot here. Productions that, in addition to generating new capital, create jobs for local crafts people and companies.”

To encourage foreign film productions to be shot in Québec, which creates or supports roughly 4500 jobs and generates spinoff of nearly \$200 million, on average, the government is announcing a major revamping of the refundable tax credit for film production services. Accordingly, the tax credit that is currently calculated using a 25% rate on wages and salaries will henceforth apply to all production costs incurred in Québec (the “all-spend” concept).

Moreover, the enhancement for computer-aided special effects and animation on eligible productions will enjoy the same extension. However, the rate of this enhancement will be 5%, bringing the effective rate to 30%.

Since it took power, the government has taken many steps to support the film production industry. It has announced:

- a rise from 20% to 25% in the rate of the refundable tax credit for film production services;
- the eligibility of labour expenditures relating to the filming of scenes in front of a chromatic screen;

- a rise from 29.1667% to 35% and from 39.375% to 45% in the basic rates of the refundable tax credit for film or television production;
- the introduction of a 10% improvement for productions not receiving public financing;
- \$10 million in budgetary support for SODEC to finance films.

“The measure announced today will help keep foreign producers interested in choosing Québec and its crafts people. I see it as essential to generate economic activity in Québec while maintaining specialized jobs in this important industry,” Minister Bachand concluded.

Information Bulletin 2009-03, released today, provides all the application details of the measure. It is available at: [www.finances.gouv.qc.ca](http://www.finances.gouv.qc.ca)

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