

2008:03EI GOVERNMENT DISCRETION IN AWARDING TAX CREDITS TO FILM AND VIDEO PRODUCTIONS

Whereas 1 to establish eligibility for receiving tax credits, a producer of films and videos requires a certificate under the Income Tax Act, and The Income Tax Amendments Act (Bill C – 10) now gives the Minister of Canadian Heritage the authority to establish guidelines for the granting of these certificates to ensure that “public financial support of the production would not be contrary to public policy” [Subsection 125.4(1) (b)]; and

Whereas 2 many commentators conclude that this authority will be unaccountable and will allow the Minister and staff to grant certificates on the basis of subjective judgments, personal values and ideological beliefs; and

Whereas 3 the regulations for issuing tax credits already preclude funding productions that depict pornography, as defined by the Criminal Code; and

Whereas 4 Bill C10 has already passed the House of Commons, but there may be further opportunities to influence the outcome; and

Whereas 5 before work on a film is commenced, tax credits need to be negotiated in order to pay for the filming work, but under the new legislation, the tax credit can be disallowed retroactively once the money is spent; therefore be it

Resolved 1 that the National Council of Women of Canada adopt as policy that

- a. **the artistic freedom of artists and producers of films and videos be respected at all times**
- b. **the film and movie industry continue to be supported through the award of tax credits to individual film and video productions,**
- c. **tax credits be denied only to those productions which violate the Criminal Code of Canada**
- d. **provisions for retroactively disallowing tax credits allocated for the production of films and videos be abolished; and be it further**

Resolved 2 that the National Council of Women of Canada urge the Government of Canada to:

- a. **continue to support the Canadian film and video industry by awarding tax credits to individual film and video productions**
- b. **deny tax credits only to those productions which violate the Criminal Code of Canada**
- c. **bring in legislation to strengthen the Criminal Code, if it finds that the present Code does not cover the depiction of extreme violence, pornography or hate messages in films and videos**

abolish the provisions for retroactively disallowing tax credits allocated for the production of films and videos once the money is spent.