

**SONY PICTURES IMAGEWORKS CANADA
TAX CREDITS - CALCULATIONS
CAD\$**

Provincial Tax Credits: (Production registration w/ BC Films)	
Production Services Tax Credit	33.0%
DAVE Credit	17.5%
Total Credit	50.5% [A]
Federal Tax Credit: (Production registration w/ CAVCO)	
Total base labor less provincial credits x 16%	
Effective credit = approximately	7.9% [B]
TOTAL TAX CREDITS	58.4% A + B

Using actuals from the FY13 submission

Labor Breakdown:		<i>Provincial</i>		<i>Federal</i>
FISCAL	Payroll	British Columbia	Quebec	Total
FY13	Salaries	\$ 21,073,972	\$ -	\$ 21,073,972
FY13	Bonus	\$ 372,500	\$ -	\$ 372,500
FY13	Relocation	\$ 877,900	\$ -	\$ 877,900
FY13	Total % = 58.4%	\$ 22,324,372	\$ -	\$ 22,324,372
FY13	Fringe % = 58.4% x 1/3	\$ 1,105,068	\$ -	\$ 1,105,068

FY13 TAX CREDIT CALCULATION

Provincial (BC) Tax Credit Base:	22,324,372
Production Services Tax Credit	7,367,043
DAVE Credit	3,906,765
Total Provincial Credit	11,273,808 [A]
Federal Tax Credit Base:	
Total Labor	22,324,372
Less: Provincial (BC) Credit	(11,273,808)
Federal Tax Credit Base:	11,050,564
Total Federal Credit	1,768,090 [B]
Total Credit - Fringe	215,194 [C]
TOTAL FY13 TAX CREDIT	\$ 13,257,092 [A] + [B] + [C]

Note:

CAVCO = Canadian Audio Visual Certification Office
DAVE = Digital Animation or Visual Effects