



Honourable Lana Popham
Minister of Tourism, Arts, Culture and Sport
Room 133 Parliament Buildings
Victoria, BC V8V 1X4

RE: Reconsideration of Animation Tax Credit Changes

Dear Minister Popham,

Thank you for the important work you are doing to support British Columbians.

As MLAs representing the Okanagan region, we are writing today regarding deep concerns that have been brought to our attention regarding the announcement that effective June 1, 2024, animation productions will be excluded from the regional and distant location tax credits.

As we understand it, the intent of the change is to prevent a growing trend of animation companies using the credit to subsidize remote teleworkers. These changes, however, have severe negative financial and recruiting effects on animation studios based in and operating out of regional and distant locations, such as Kelowna. This is a devastating cut for our region, with well over a hundred people who have lost their jobs. Additionally, we have been advised there was no consultation or warning.

The Okanagan has seen significant growth in its animation industry over the past decade, with local companies contributing to job creation and economic growth. This decision unfairly penalizes animation companies based in the Okanagan region.

On behalf of the animation companies that have reached out to us, can you provide clarification and confirmation that you will work with them to mitigate the severe negative impact this would have on their brick-and-mortar studios? The suggestion brought forward is to modify the wording to clarify that only companies based in the regions are eligible to apply for distance and regional credits.

Thank you for your consideration. We look forward to hearing back from you.

Kind regards,

MLA Renee Merrifield
Kelowna-Mission

MLA Norm Letnick
Kelowna-Lake Country

MLA Ben Stewart
Westside-Kelowna

MLA Dan Ashton
Penticton