

March 4, 2025

## BACKGROUND

### **A strong, diversified economy for B.C.**

Budget 2025 is a made-in-B.C. plan to support growth and defend good jobs for people as Canada faces the threat of unjustified U.S. tariffs.

B.C. has built a strong economic foundation despite global challenges, attracting record investments and supporting industry to grow and innovate.

Government continues to make progress on previous investments to streamline permitting across the natural-resource sector, so high-priority projects can be built faster. This includes fast-tracking 18 major critical mineral and energy projects worth approximately \$20 billion.

Budget 2025 moves B.C. forward on its goal to grow a more self-sufficient and diverse economy that will stand strong in the face of whatever comes its way, with \$172 million in new investments over the fiscal plan to keep people and goods moving and new tax measures to support economic growth.

#### **Encouraging innovation and investment to create good jobs**

Building on the success of a three-year pilot, Budget 2025 invests \$30 million over three years in the Integrated Marketplace Initiative to connect tech companies with commercial partners to test their products and services in real-world environments.

The initiative helps tech companies scale up, expand into new markets and create more high-quality jobs and opportunities here at home. The projects are located at sites crucial to B.C.'s diversified economy, including ports and airports.

B.C. is a vibrant interactive technology hub with global company offices that are at the forefront of video games and virtual reality. To boost the success of this sector, Budget 2025 increases the interactive digital media tax credit from 17.5% to 25% and makes the credit permanent. This will help companies attract the talent they need to grow their teams and compete for more contracts, strengthening a robust and sustainable industry.

Budget 2025 also encourages investment in B.C.'s small businesses, with an increase to the investment limit for individuals through its small business venture capital tax credit and a temporary \$15 million increase to the program's budget for 2025-27.

### **Supporting Canadian content and made-in-B.C. productions**

Budget 2025 increases incentives for B.C.'s thriving film sector, ensuring that good-paying film and TV industry jobs stay in the province. Film Incentive BC credits for Canadian content productions increase from 35% to 40%, retroactive to Jan. 1, 2025, to support Canadian content. To support international projects made in B.C., the production services tax credit is increasing from 28% to 36%. Projects claiming the production services tax credit with B.C. production costs greater than \$200 million could get extra support, with a new 2% major production tax credit.

Budget 2025 also amends the rules for animated productions with a bricks-and-mortar presence in a regional or distant location to be able to claim regional or distant location credits if they qualify through the Film Incentive BC tax credit or the production services tax credit, subject to additional eligibility rules.

### **Keeping goods and people moving through transportation and transit upgrades**

Reliable transportation infrastructure is critical to keeping people connected, strengthening supply chains and ensuring B.C. products get to market efficiently.

Budget 2025 invests \$142 million over three years to maintain highways and bridges and to support critical transit services to ensure the safe and efficient movement of goods and people. This includes:

- \$95 million in additional funding for critical highway and bridge maintenance throughout the province; and
- \$47 million toward BC Transit to ensure reliable bus and handyDART services in 130 communities outside the Lower Mainland.

Budget 2025 also includes \$15.9 billion in capital funding over the next three years to improve transportation networks throughout B.C. Examples of approved projects include:

- \$6 billion for the Surrey Langley SkyTrain;
- \$5 billion for two phases of the Fraser Valley Highway 1 corridor improvement program;
- \$4.2 billion for an eight-laned immersed tube tunnel to replace the George Massey Tunnel on Highway 99;
- \$3 billion for the Broadway Subway project;
- \$1.2 billion for upgrades to several sections of Highway 1 between Kamloops and Golden; and
- \$538 million for two projects to restore access to critical road infrastructure in the Cariboo region damaged by landslides.

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