



State of California

Franchise Tax Board

New Employment Credit Report

Economic and Statistical Research Bureau

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This report is intended to fulfill the Franchise Tax Board's obligation under the Revenue & Taxation Code sections 17053.73 and 23626 to annually report by March 1, to the Joint Legislative Budget Committee, the total amount of the credits claimed under these sections for the most recent fiscal year.

Prepared by the Staff of the
Franchise Tax Board
STATE OF CALIFORNIA

Members of the Board:

Betty T. Yee, Chair
Jerome E. Horton, Member
Michael Cohen, Member

Executive Officer: Selvi Stanislaus



New Employment Credit

The New Employment Credit was enacted as of January 1, 2014. Tax returns reporting credits claimed for the 2014 tax year under Revenue & Taxation Code sections 17053.73 and 23626 will be filed in 2015. To date there is insufficient data available to report on the credits claimed under these sections. To be eligible for the credit, employers are required to make a credit reservation for all potential qualified employees. The Franchise Tax Board has received reservations for approximately 9,000 employees, submitted by 200 employers.¹

The Franchise Tax Board anticipates reporting the amount of credits claimed for those 2014 tax year returns filed before March 1, 2016 in the next annual report.

¹ The credit is predicated on whether the qualified employer has a net increase in the total number of full-time employees employed in California. Therefore, the number of reservations may not be reflective of the actual credit taken.