



STATE OF CALIFORNIA
Franchise Tax Board

Homeless Hiring Tax Credit Report

Economic and Statistical Research Bureau



STATE OF CALIFORNIA
Franchise Tax Board

Purpose

This report is intended to fulfill the Franchise Tax Board's (FTB) obligation under Assembly Bill 150 (Chapter 82, Statutes of 2021), which added Revenue & Taxation Code (RTC) sections 17053.80 and 23629 and included a requirement that FTB report on or before April 1, and annually thereafter, the total number of employers who applied for credit reservations, the aggregate amount of credits reserved, and the aggregate amount of credits claimed.

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

Members of the Board:
Malia M. Cohen, Chair
Sally J. Lieber, Member
Joe Stephenshaw, Member

Executive Officer: Selvi Stanislaus

Published January 2024

Background

Chapter 82 of the Statutes of 2021 (AB 150) established the Homeless Hiring Tax Credit (HHTC) for eligible employers who hire and retain eligible individuals. The amount of credit is based on number of hours an eligible individual, as specified, works for an eligible employer, as specified. To be eligible for the credit, eligible employers must make a tentative credit reservation, with the FTB, within 30 days of hiring an eligible individual. The maximum amount of credit allowed can be up to \$30,000 per taxable year. The total aggregate amount of credits available for reservation is \$30 million, per calendar year, plus any unallocated credit amount from the preceding year. This credit is operative for taxable years beginning on or after January 1, 2022, and before January 1, 2027.

Franchise Tax Board Statutory Reporting Requirements

In accordance with RTC Section 41, the FTB is required to publish an annual report on its internet website, while the credit is in effect, no later than April 1, and notify the Chief Clerk of the Assembly and the Secretary of the Senate within 4 days of the report being posted. The report is required to include the following:

- The number of employers who applied for credit reservations in the second calendar year prior to the year the report is posted.
- The aggregate amount of credits reserved in the second calendar year prior to the year the report is posted.
- The aggregate amount of credits claimed on tax returns during the preceding calendar year.

The following report meets the FTB's requirement to report by April 1, 2024. The information presented is from the 2022 tax return data processed as of December 14, 2023.

Data

Tax returns claiming the HHTC for the 2022 taxable year were due by the extended due date of November 16, 2023. State privacy rules require statistical tabulations prepared at the state level may not be released for cells containing data for fewer than 10 returns. Based on available data processed as of December 14, 2023, the number of returns and the amount of credit allowed cannot be disclosed due to state privacy rules.

The FTB anticipates reporting the number and amount of credit allowed for the 2022 and 2023 taxable years in its next annual report. Please visit FTB's website for detailed information regarding the reservation and claiming of the [HHTC](#).