



STATE OF CALIFORNIA  
**Franchise Tax Board**

# CA Earned Income Tax Credit and Young Child Tax Credit

**Expanding Help For Working Families**

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# CalEITC and YCTC

## Big News From The Capitol

- Expansion of California Earned Income Tax Credit (CalEITC) and creation of Young Child Tax Credit (YCTC)
- CalEITC's first four years: Total of \$1.1 billion issued
- Estimated \$1 billion total of CalEITC and YCTC may be claimed in the coming tax season
  - \$640 million in CalEITC
  - \$360 million in YCTC
- Compared to tax year 2018: \$372 million in CalEITC issued

# CalEITC and YCTC

## **Expanded CalEITC**

- Under expanded CalEITC, families can earn more and still get the credit
- TY 2019: May qualify if income is up to \$30,000 regardless of dependents
- TY 2018: May qualify if income is less than \$25,000 if they had dependents
- TY 2018: May qualify if income is less than \$17,000 if they had no dependents

# CalEITC and YCTC

## **Expanded CalEITC**

- CalEITC claims are likely to go up
- TY 2019: 3 million families expected to claim the CalEITC
- TY 2018: 2 million families claimed the CalEITC

# CalEITC and YCTC

## **New Young Child Tax Credit**

- Available to families making less than \$30,000
- Family that qualifies for CalEITC and has at least one child under age 6 will qualify for YCTC
- Up to \$1,000
- Like CalEITC, YCTC phases out as income rises
- An estimated 400,000 families may be eligible to claim the YCTC

# CalEITC and YCTC

## Outreach Plans

- FTB will continue to partner with a coalition of state and federal departments and non-profits for fifth consecutive year.
  - This group will help promote CalEITC, YCTC and free tax prep
- \$10 million in state outreach grants available to promote CalEITC and free tax prep
  - Grants to be issued by October 1, 2019

# CalEITC and YCTC

## Outreach Plans

- Return of computer-equipped e-buses for free tax prep
  - Last season: 52 e-bus stops with 19 partners
- More brochures, posters, postcards
  - Last season: 1.7 million pieces of messaging in six languages
- VITA team creating new training videos for free tax prep volunteers
  - Training will include information about CalEITC and YCTC

# CalEITC and YCTC

## Improving lives of families

VIDEO – 57 Seconds



# Questions?