CA Earned Income Tax Credit and Young Child Tax Credit
Expanding Help For Working Families

Jason Montiel – Public Affairs Office
Davi Milam – Legislative Services Bureau

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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?