Slide 1: COVID-19 State and Federal Tax Relief
Law Changes Affecting California Taxpayers

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Slide 2: Federal and State COVID-19 Relief
• Mitigate impacts to taxpayers due to COVID-19
• Franchise Tax Board (FTB) developed a Frequently Asked Questions webpage

Slide 3: Federal Laws
A photo of the United States Capitol Building is shown on screen.
• Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
• Consolidated Appropriations Act, 2021 (CAA)
• American Rescue Plan Act

Slide 4: California Conformity to Federal Law
A photo of the California State Capitol Building is shown on screen.
Retirement Loan Treatment
• Increased dollar amount of loans not treated as distributions
• Extended repayment date for outstanding loans

Slide 5: California Conformity to Federal Law
Paycheck Protection Program (PPP)
• Forgiveness of covered loans excluded from gross income
• Partial conformity to allow the deduction of expenses, basis adjustments, and tax attribution adjustments for qualifying taxpayers

Slide 6: California Conformity to Federal Law
Economic Injury Disaster Loan (EIDL) Grants or Targeted EIDL Advances
• Excludes advance grant amounts from gross income
• Allows the deduction of expenses, basis adjustments, and tax attribution adjustments

Slide 7: California Assistance
California Gross Income Exclusion for Rental Assistance

- Provided states with emergency rental assistance
- Assists qualified households with rent, utilities, home energy costs, and other housing expenses due to the COVID-19 pandemic

**Slide 8: California Assistance**

**Main Street Small Business Tax Credit**

- Credit amount is $1,000 for each net increase in qualified employees
- Credit reservations made through the California Department of Tax and Fee Administration (CDTFA)
- Taxpayers can elect to apply the credit to Sales and Use Tax
- FTB and CDTFA outreach and collaboration

**Slide 9: California Assistance**

**Main Street Small Business Tax Credit, II**

- Credit amount is $1,000 for each net increase in qualified employees
- More qualified small business employers may qualify
- Credit reservations through CDTFA
- Reservation window is 11/1/2021 to 11/30/2021, or earlier if the allocation limit is reached
- FTB and CDTFA working together again

**Slide 10: California Assistance**

**Credit for Employers of Homeless Individuals**

Qualified taxpayers that employ eligible individuals can get a credit equal to:

<table>
<thead>
<tr>
<th>Credit Amount</th>
<th>Hours Worked by Eligible Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,500</td>
<td>500 – 999</td>
</tr>
<tr>
<td>$5,000</td>
<td>1,000 – 1,499</td>
</tr>
<tr>
<td>$7,500</td>
<td>1,500 – 1,999</td>
</tr>
<tr>
<td>$10,000</td>
<td>2,000+</td>
</tr>
</tbody>
</table>

**Slide 11: California Assistance**

**California Competes Tax Credit**

- Goal is to encourage business operations in the state increased allocation amount to $290 million
**Slide 12: California Assistance**  
**California Competes Grant Program**
- Grants to qualified small businesses and microbusinesses
- FTB responsible for reviewing contracts and collection of grants referred by California Office of the Small Business Advocate (CalOSBA) for recapture

**Slide 13: California Assistance**  
*The California Department of Social Services (CDSS) logo is shown on screen.*

**Golden State Grant Program**
- Allowed a $600 Golden State Grant to eligible recipients
- Individuals could receive the grant and the Golden State Stimulus (GSS)
- Administered by the California Department of Social Services (CDSS)

**Slide 14: California Assistance**  
**Golden State Stimulus (GSS)**
- GSS I (SB 88/AB 88)
- GSS II (SB 139)

**Slide 15: California Assistance**  
*The Golden State Stimulus (GSS) logo is shown on screen.*

**Golden State Stimulus I**
- $600 or $1,200 payment per tax return
- Available to eligible Earned Income Tax Credit (EITC) recipients and Individual Taxpayer Identification Number (ITIN) filers

**Slide 16: California Assistance**  
*A graphic of the Golden State Stimulus II Estimator tool from the webpage (https://www.ftb.ca.gov/about-ftb/newsroom/golden-state-stimulus/gss-ii.html) is shown on screen.*

**Golden State Stimulus II**
- Available to eligible individuals with California Adjusted Gross Income (AGI) of $1 to $75,000
- Most payments will range from $500 to $1,100
  - Amount depends on filing status and dependents
- Online tool to estimate GSS II payment amounts

**Slide 17: Return Filing and Processing**  
Extend Filing Deadline to 5/17/21
• FTB conformed to IRS deadline move
• For tax year 2020 returns and payments
• Tax year 2021 estimate payments not impacted
• Statute of limitations on previous year tax returns

Slide 18: Federal Legislation
Unemployment Income Exclusion
• Impacts to many taxpayers in CalEITC income bracket
• Adjusted over 600,000 returns for additional CalEITC
• Notify over 400,000 taxpayers to check eligibility

Slide 19: Questions?

Slide 20: Public Comment