

COVID-19 State and Federal Tax Relief PowerPoint

Franchise Tax Board Meeting
Thursday, September 9, 2021

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

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September 9, 2021

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:

Credit Amount	Hours Worked by Eligible Individual
\$2,500	500 – 999
\$5,000	1,000 – 1,499
\$7,500	1,500 – 1,999
\$10,000	2,000+

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