Slide 1: Legislative Matter SB 1409 Report: Studying ways to increase uptake of the CalEITC
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Slide 2: SB 1409 Report
The title page from the “Report On the Study to Increase the Number of Claims for the California and Federal EITC” with the Franchise Tax Board logo is shown.
- Mandated by the Legislature and submitted January 3, 2022
- Looks at barriers to claiming EITC
- Introduces concepts that may increase uptake of the credit
- Identifies collaboration opportunities amongst state agencies
- Documents history and important key statistics

Slide 3: Key Statistics
A graphic of Golden State Stimulus California For All appears above a graphic displaying the words, “New ITIN filers now eligible! (regardless of immigration status)” is shown.
- Eligibility expanded each year, most recently to ITINs
- 2020 – 4.2M returns for just over $1.2B
- 75% of claimants had no dependents
- Nearly 77% received $200 or less
- 90% used software and filed a timely return

Slide 4: Barriers
A graphic illustration representing five different people is shown.
- Not a one size fits all
- Tax preparation is complicated and can be expensive
- May not have information needed
- May be afraid of interaction with government
- State agencies also have administration barriers
Slide 5: Concepts
A photo of someone using a pen to write notes is shown.
- Consolidated ideas into eight concepts to study
- No recommendations
- Report provides benefits and risks for each concept
- Discusses the barriers addressed by the concept
- Looks at administrative barriers and implementation

Slide 6: Concept A
A photo of a woman facing a laptop and looking out of a window with the CalFile logo displayed is shown.
Simplified Filing Portal
- FTB already has CalFile
- Nearly all those who claim EITC are eligible
- Need a solution that incorporates a federal return
- Timing of data availability can be a challenge

Slide 7: Concept B
A photo of a woman holding a laptop while leaning against a wall showing computer servers is shown.
Pre-Population of Tax Returns
- Relies completely on data available
- Study reviewed data held by peer state agencies
- Data showed differences in “household” vs. “tax” units
- Credit estimates for filers accurate only 37% of the time
- Able to use data to identify participants not appearing on a tax return

Slide 8: Concept C and D
A photo of a Franchise Tax Board employee using a computer to assist a taxpayer with tax preparation is shown. The VITA logo is also shown.
Tax Prep/Education and Outreach
- Tax preparation by State staff may need additional legal review
- Substantial overlap in public assistance and FTB databases
- Timing of outreach is critical
- Coordination amongst State entities is key
- Historical response to outreach has been small

Slide 9: Remaining Concepts
A photo of someone using a pen to sign documents at a desk is shown.

- Concept E – Forms in multiple languages
- Concept F – California unique ID number/ ITIN Assistance
- Concept G – Increasing grant funding
- Concept H – Providing ongoing grant funding

Slide 10: Moving Forward
A photo of a woman holding a laptop on one arm with a multicolored puzzle behind her is shown. The words “Goals, Organization, Strategy, Teamwork, Planning, Analysis, Costs, Management, Communication, Efficient, and Customer” surround her.

- Carefully balance the needs of taxpayers and administration of program
- Statutory authority and data sharing agreements likely needed
- Federal return filing should be a consideration of any proposal

Slide 11: Questions?

Slide 12: Public Comment