

Update on Earned Income Tax Credit, Young Child Tax Credit, and Foster Youth Tax Credit-PowerPoint-Outline

Franchise Tax Board Meeting
Monday, September 8, 2025

Slide 1: Update on Earned Income Tax Credit, Young Child Tax Credit, and Foster Youth Tax Credit

Susan Maples – Finance and Executive Services Division
September 8, 2025

Slide 2: Comparison of Credits Allowed Process Year 2025 vs 2024*

Credit	Number of Returns			Credits Allowed (in Millions)			Average Credit	
	2024	2025	% Change	2024	2025	% Change	2024	2025
CalEITC	3,213,478	3,021,215	-6%	\$900	\$874	-3%	\$280	\$289
YCTC	378,604	367,341	-3%	\$392	\$392	0%	\$1,035	\$1,068
FYTC	5,292	5,215	-1%	\$5.7	\$5.8	2%	\$1,070	\$1,104

*2025 returns processed through June 21, 2025, compared to 2024 returns processed through June 22, 2024. Process year data includes original tax returns for the current tax year and late returns for previous tax years that have completed processing.

Slide 3: CalEITC Expansion Over the Years

2016

- CalEITC Volume: 385,910
- Changes to Statutes: N/A

2017

- CalEITC Volume: 1,477,060
- Changes to Statutes: Expanded to allow Self Employment and expanded income limits

2018

- CalEITC Volume: 2,091,338
- Changes to Statutes: Expanded age groups, income limits, and included childless taxpayers

2019

- CalEITC Volume: 3,854,123
- Changes to Statues: Expanded income levels and adopted YCTC

2020

- CalEITC Volume: 4,299,746
- Changes to Statues: Expanded to ITIN filers

Slide 4: CalEITC Filing Trends Full Year vs. June 21

Number of CalEITC Returns Filed (Full Year vs through June 21)*

	TY 2021	TY 2022**	TY 2023	TY 2024
Count CalEITC Returns – Full Year	3,611,667	3,439,284	3,466,336	Not Complete
Count CalEITC Returns – Filed through June 21	3,367,794	3,103,892	3,253,393	3,118,357
% Filed Through June 21	93.2%	90.2%	93.9%	

* Data includes returns filed but not necessarily completed processing (accepted).

**TY 2022 filing was postponed for most of California to November 13, 2023

Slide 5: Summer Outreach Volumes

- *2022 SB 1409 Report – Education and Outreach Opportunity*
 - **Nonfilers** who appear to qualify based on wage records
 - **Filers** who appear to qualify but didn't claim on return
 - **Foster Youth** claimed in a prior year, but not the current year
- 2023: 350K Nudge letters sent – 11K credits allowed
- 2024: 300K Nudge letters sent – 7K credits allowed
- 2025: 200K Nudge letters sent – Results Feb. 2026

Slide 6: Other FTB Outreach Activities

- CalEITC statewide outdoor advertising campaign
 - 40 billboards and 70 transit shelter ads across California, generated 41M impressions
 - Sacramento
 - San Francisco

- Los Angeles
- San Diego
- 88K flyers and posters distributed statewide to nonprofits, foster youth community, state and legislative offices

Slide 7: CalEITC Education and Outreach

External Partnership – All of Government Approach

- CA State Controller's Office
 - Annual global messaging to state employees about CalEITC, YCTC, and FYTC
- Roundtables
- Feedback sessions
- Focus groups
- Cohorts

Slide 8: Questions?

Slide 9: Public Comment