



STATE OF CALIFORNIA
Franchise Tax Board

California Competes Credit Report

Economic and Statistical Research Bureau

Published March 2017



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This report is intended to fulfill the Franchise Tax Board's obligation under Revenue & Taxation Code sections 17059.2 and 23689 to annually report by March 1, to the Joint Legislative Budget Committee, the total amount of the credits claimed under these sections for the most recent fiscal year.

Prepared by the Staff of the
Franchise Tax Board
STATE OF CALIFORNIA

Members of the Board:
Betty T. Yee, Chair
Diane L. Harkey, Member
Michael Cohen, Member

Executive Officer: Selvi Stanislaus

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California Competes Credit

Chapters 69 and 70 of the Statutes of 2013 (AB 93 and SB 90 respectively) created the California Competes Tax Credit (CCC). The credit is operative for taxable years beginning on or after January 1, 2014, and before January 1, 2025. The amount of the credit available to a taxpayer, for a taxable year, is negotiated and set forth in a written agreement between the Director of the Governor's Office of Business and Economic Development (GO-Biz) and the taxpayer.

According to data provided by GO-Biz, there were \$28.9 million in approved tax credit agreements for the 2014 tax year. Of the \$28.9 million \$10.5 million was eligible to be claimed on a 2014 return. The net amount of credit eligible to be claimed in 2014 is \$10.3 million after accounting for almost \$250,000 in credit recaptures by GO-Biz.

The majority of tax returns reporting credits claimed for the 2014 tax year under Revenue & Taxation Code sections 17059.2 and 23689 were filed during calendar year 2015. Since the release of the CCC report dated March 1, 2016, data for 2014 tax returns has been updated to reflect additional returns processed as of January 2017. As of the date of this report, \$4.3 million California Competes Tax Credits were claimed on 87 returns for tax year 2014. This total includes corporate fiscal year return data which was not fully available in last year's report.

At the time of this report, GO-Biz data indicates that there is \$40.4 million in credit eligible to be used for the 2015 tax year. The net amount of eligible credits is \$39.8 million after accounting for almost \$622,000 in credit recaptures by GO-Biz.

FTB data for returns processed as of January 2017 shows \$11.4 million California Competes Tax Credits were claimed on 290 returns for tax year 2015. As of the date of this report, the 2015 tax year totals do not include all fiscal year filers.

Refer to the California Competes Tax Credit [Awardees List](#) located on the GO-Biz website at www.business.ca.gov for additional information on credits awarded and recaptures to date.