



STATE OF CALIFORNIA  
**Franchise Tax Board**

# California Competes Tax Credit Report

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Economic and Statistical Research Bureau

## California Competes Tax Credit Report

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.

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STATE OF CALIFORNIA

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# California Competes Tax Credit

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Chapters 69 and 70 of the Statutes of 2013 (AB 93 and SB 90 respectively) created the California Competes Tax Credit (CCTC). 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 \$40.4 million in awarded and allocated tax credits for the 2015 tax year. After accounting for \$2.5 million in credit recaptures for tax year 2015 by GO-Biz, the net amount of credits is \$37.9 million.

The majority of tax returns reporting credits claimed for the 2015 tax year under Revenue & Taxation Code sections 17059.2 and 23689 were filed during calendar year 2016. Since the release of the CCTC report dated March 1, 2017, data for the 2015 tax returns has been updated to reflect additional returns processed as of January 2018, which includes corporate fiscal year return data which were not fully available in last year's report. As of the date of this report, \$13.1 million CCTCs were claimed on 306 returns for tax year 2015. The amount of credits claimed may differ from the amount of credits awarded due to instances in which taxpayers' CCTC exceeded their tax liability to claim the full credit or in which taxpayers utilized other credits over the CCTC.

At the time of this report, GO-Biz data indicates that there has been \$62.8 million in awarded and allocated tax credits for the 2016 tax year. After accounting for \$2.8 million in credit recaptures for tax year 2016 by GO-Biz, the net amount of credits is \$60.0 million.

Franchise Tax Board data for returns processed as of January 2018, shows \$18.7 million CCTCs were claimed on 465 returns for tax year 2016. As of the date of this report, the 2016 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](http://www.business.ca.gov) for additional information on credits awarded and recaptures to date.