California Competes Tax Credit

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www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit
The California Competes Tax Credit

California Competes Tax Credit
• Credit against the income tax due the Franchise Tax Board
• Non-refundable
• 6 tax year carryover

Accountability:
• Tied to achieving contractual (hiring/investment) milestones
• Recapture provisions
Credit awards are based on 12 factors:

- Number of jobs created or retained
- Compensation paid to employees
- Amount of investment
- Duration of proposed project and commitment to remain in this state
- Extent of unemployment or poverty in business area
- Extent the benefit to the state exceeds the amount of the tax credit
- Incentives available in other states
- Opportunity for future growth and expansion
- Other incentives available in California
- Overall economic impact
- Strategic importance to the state, region, or locality
- Training opportunities offered to employees
GO-Biz is also required to evaluate the extent to which the credit will influence the applicant’s ability and/or willingness to create new full-time jobs in California that might not otherwise be created by the applicant or another California business.

- How will this credit and – more specifically – the amount of credit being requested factor into the applicant’s ability or willingness to expand in California?

- The Frequently Asked Questions on the GO-Biz website provide additional guidance.
California Competes Tax Credit Availability

$180 million per fiscal year 2018/19 through 2022/23

No more than 20% may go to any one applicant per fiscal year

January 6, 2020 – January 27, 2020
$75 million