Governor’s Office of Business and Economic Development (GO-Biz)

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1-877-345-4633
GO-Biz Mission
- Point of contact for economic development and job creation efforts
- Offers services to business owners, communities, and site selectors

California Business Investment Services
- Tailored consultation, site selection, and incentive navigation for businesses

Additional GO-Biz Assistance
- Permit Assistance, International Affairs & Trade, Office of the Small Business Advocate, External Affairs, California Competes Tax Credit (CCTC)
Incentives for California Businesses

GO-Biz provides no-cost, confidential services for incentive navigation.

[Link to GO-Biz website: business.ca.gov]
California Competes Tax Credit Program (CCTC)

- Credit against income tax due to Franchise Tax Board
  - Non-refundable / 6 tax year carryover
  - Next Application Periods:
    - **January 4, 2021 – January 25, 2021** ($80 million available)
    - **March 8, 2021 – March 29, 2021** ($71.1 million plus any remaining unallocated amounts from the previous application periods)

- Scheduled Webinars:
  - January 6th (9:30 – 10:30am)
  - January 14th (4:00 – 5:00pm)
  - January 19th (11am – 12pm)

- Accountability:
  - Tied to achieving contractual (hiring/investment) milestones

[https://business.ca.gov/california-competes-tax-credit/](https://business.ca.gov/california-competes-tax-credit/)
R&D Corporate Income Tax Credit

• Available to taxpayers engaged in qualified research activities in CA – claimed on tax returns

• Qualified Research Expense
  • Wages, supplies, contract research costs
  • Include basic or applied research of scientific inquiry, original investigation for the advancement of scientific or engineering knowledge or improved function of a business component
  • 15% of the excess of current year research expenditures over a computed base amount (minimum of 50% of research expense) OR
  • 24% credit for basic research payments to 3rd party organizations
New Employment Credit

• **Hire Qualified Full-Time Employees:**
  • Unemployed for longer than 6 months immediately preceding hire
  • Veteran separated from U.S. Armed Forces in the preceding 12 months
  • Earned Income Tax Credit recipient in previous taxable years
  • Ex-offender convicted of a felony
  • Current CalWORKS or general assistance recipient

• **Pay Qualified Wages**
  • Wages must exceed 150% of the employer’s State minimum wage

• **Within a Designated Geographic Area (DGA)**
  • Designated census tracts that have the highest unemployment and highest poverty in the State
Partial Sales & Use Tax Exemption

- Partial Exemption applies only to the state sales and use tax rate
  - General Manufacturing and R&D: 3.9375%
  - Agricultural – Farm Equipment & Machinery: 5%
  - Research & Development

- Claimed when purchasing equipment

- Administered by the CA Department of Tax & Fee Administration (CDTFA)
  - Get it in Writing Program
Small Business Hiring Credit *NEW*

• Equal to $1000 for each net increase in the monthly average number of employees ($1000 credit per hire)

• To qualify for the credit, taxpayers must:
  • Have 100 or fewer employees on December 31, 2019
  • Have experienced a 50% decrease in gross receipts from April to June, 2020, compared to the gross receipts in April to June 2019.
  • Apply for a tentative credit reservation from CDTFA during the period of **December 1, 2020 through January 15, 2021.**
Small Business Hiring Credit *NEW*

- Equal to $1000 for each net increase in the monthly average number of employees ($1000 credit per hire)

- To qualify for the credit, taxpayers must:
  - Have 100 or fewer employees on December 31, 2019
  - Have experienced a 50% decrease in gross receipts from April to June, 2020, compared to the gross receipts in April to June 2019.
  - Apply for a tentative credit reservation from CDTFA during the period of **December 1, 2020 through January 15, 2021.**
Thank you!!

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