

COLLEGE ACCESS TAX CREDIT FUND

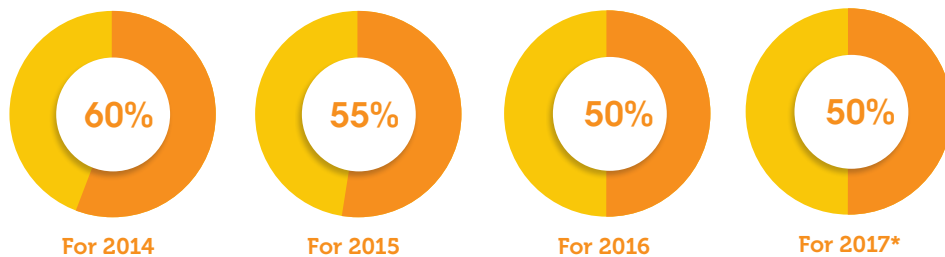


WHAT IS IT?

Individuals, businesses and insurance companies contribute to a fund that bolsters financial aid for California's low-income college students. These taxpayers get tax credits equal to 50% of their contributions.

The credit for contributions to the College Access Tax Credit Fund ("CATC" or the "Fund") can be used to offset state tax obligations.

A portion of these contributions from individuals, businesses and insurance companies will go to the California Student Aid Commission, which administers the state's Cal Grant program. Cal Grants are for students pursuing an undergraduate degree or vocational or career training at a qualifying California college. Cal Grants are awarded to students with a financial need to attend the college of their choice who have family income and assets below set minimum levels.



The tax credit is available for taxable years 2014 through 2017 and is based on a percentage of the taxpayer's cash contribution to the Fund. A taxpayer cannot claim a deduction and a credit for the same contribution. Any unused tax credit may be carried over for six years.

*Senate Bill 81 allows the credit to be applied against the insurance premiums tax for the 2017 taxable year only.



State Treasurer John Chiang



HOW TO APPLY

To claim the tax credit, a taxpayer must apply at the website of the California Educational Facilities Authority (CEFA). CEFA is chaired by State Treasurer John Chiang and is the administrator of the Fund.

To be eligible to claim the tax credit for the taxable year all of the following must occur:

- ✓ CEFA receives a completed application by the deadline (5 p.m. on November 30, 2017 for the 2017 taxable year);
- ✓ CEFA issues to the taxpayer a notice granting a tax credit reservation;
- ✓ The taxpayer submits to CEFA all required forms and contribution to the Fund by the listed due date, and
- ✓ CEFA provides the taxpayer with a College Access Tax Credit Certification.
- ✓ The taxpayer provides the certificate when filing State of CA taxes.

CATCF DETAILS AND APPLICATIONS ARE AVAILABLE AT: www.treasurer.ca.gov/cefa/catc

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Deadlines & Tax Credit Availability

CEFA will accept applications for the tax credit as follows:

2017
taxable
year

Applications for the 2017 taxable year will be accepted from April 3, 2017 through November 30, 2017, 5:00 p.m. (Pacific Time)

For 2017, the Fund has \$500 million in tax credits available.



AB 490

PROPOSED 2017 NEW LEGISLATION

AB 490, authored by Assemblymember Sharon Quirk-Silva, D-Orange County, will increase Cal Grant B Access Award for low-income California students and extend the College Access Tax Credit through 2023.

Questions?

For assistance with the application, process, or payment of contributions, please contact the California Educational Facilities Authority through CEFA's website www.treasurer.ca.gov/cefa/catc or call (916) 654-5711.

For assistance with tax questions, please contact the California Franchise Tax Board through FTB's website www.ftb.ca.gov or call (800) 852-5711.



EXAMPLE



Jane Doe applies for a tax credit reservation on 10/2/17. Her proposed contribution is \$10,000. CEFA mails Jane a notice granting her a \$5,000 tax credit reservation (50% x \$10,000) on 10/12/17. CEFA also sends Jane a Contribution Submittal Form that states Jane must send in her contribution no later than 11/1/17. Jane makes a \$10,000 contribution via Automatic Clearing House to the Fund on 10/16/17. CEFA then sends Jane a \$5,000 College Access Tax Credit Certification on 10/24/17.

Jane may claim a \$5,000 tax credit on her 2017 California tax return for her charitable contribution to the Fund. She may also be eligible to report a charitable contribution deduction on her 2017 federal tax return. However, she may not report the deduction on her California tax return.

NOTE

CEFA must receive all contribution payments no later than 5 p.m. on December 31, 2017.

Taxpayers will not be granted a Certification if contribution payments are received after the due date.

CATCF DETAILS AND APPLICATIONS ARE AVAILABLE AT: www.treasurer.ca.gov/cefa/catc