



NEWS...

From the Desk of California State Treasurer Fiona Ma



Dear Friends,

FEBRUARY 2022

Can you believe we are already in the throes of tax season? As your State Treasurer and a CPA by training, I am passionate about increasing taxpayers' awareness of and access to resources and services that support timely and accurate filing. As we recover from the COVID-19 pandemic, I know how important it is for taxpayers to claim the credits they deserve and need. Unfortunately, many Californians who qualify for tax credits do not claim them, despite the fact that these dollars could serve as a crucial lifeline for families and individuals experiencing pandemic-related financial insecurity. That is why this edition of my monthly newsletter is dedicated to tax tips and resources. On page 4, I've compiled a guide of tax tips for the 2021 tax year. I encourage you to consult this resource as you prepare to file your taxes.

In line with this month's theme of tax resources, I also want to call your attention to a series of community engagement efforts in which I participated during California Earned Income Tax Credit (EITC) Awareness Week (January 28 - February 4). On January 28th, I participated in the United Ways of Fresno and Madera Counties' public service announcement regarding the California Earned Income Tax Credit (CalEITC) and how claimants can leverage their benefits in one of our three State Treasurer's Office-administered thrift savings programs ([CalABLE](#), [CalSavers](#), and/or [ScholarShare 529](#)). On the same day, my staff and I participated in a virtual press conference in San Francisco hosted by the Chinese Newcomers Service Center to encourage low-income taxpayers to take advantage of free tax preparation and filing services like Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) so that they claim tax credits and receive their refunds in a timely manner. On February 4th, I joined United Ways of California for a webinar to discuss the importance of claiming the CalEITC and utilizing free tax preparation services like VITA. Please turn to the "In the Community" section of the newsletter on page 11 to learn more about these efforts.

Please do not hesitate to contact me at AskFiona@treasurer.ca.gov if you need any assistance from my office.

In Peace and Friendship,

Fiona Ma, CPA
California State Treasurer

TABLE OF CONTENTS

- p.1 Welcome Letter
- p.2 Ask Fiona
- p.4 2021 Tax Tips
- p.9 BCA Calendar
- p.10 The Vault
- p.11 In the Community

This newsletter is not intended to be and should not be used for making investment decisions about State of California bonds or notes. Potential investors should always obtain and read the Official Statement published by the State for each issue of bonds or notes.



[HTTPS://WWW.TREASURER.CA.GOV](https://www.treasurer.ca.gov)



Ask Fiona

D

Dear Fiona,

As the result of the financial hit my family experienced because of the pandemic, we found ourselves in a situation of not being able to make our monthly mortgage payments. Fortunately, I was able to negotiate a forbearance plan with our mortgage servicer. As the end of my forbearance period nears, I am now looking for financial assistance to catch up on my mortgage payments. How can I find out if I am eligible for the new mortgage assistance program?

Darius

Dear Darius,

The California Mortgage Relief Program just launched early last month. This program will help families such as yours keep their homes and recover from the financial distress caused by the pandemic. Financial assistance will be provided to eligible homeowners in the form of a one-time grant of up to a maximum of \$80,000 per household with a direct payment to the mortgage servicer. The program is free and homeowners will not be required to repay the funds.

The program is open to all California homeowners who meet the eligibility requirements. Applicants must meet all of the following requirements:

- Household income is at or below 100% of their county's Area Median Income;
- Own a single-family home, condo or permanently affixed manufactured home in California; and
- Have faced a pandemic-related financial hardship after January 21, 2020.

And meet at least one of the following:

- Receiving public assistance;
- Severely housing burdened; or
- Been denied an alternative mortgage workout option by their mortgage servicer.

You can check your eligibility and apply online at CaMortgageRelief.org. If you have further questions about the program, you may send an email to info@camortgagerelief.org. If you need help completing the application, please contact your mortgage servicer or a HUD-certified housing counselor at 1-800-569-4287, or call the California Mortgage Relief help line at 1-888-840-2594.

Sincerely,

Fiona

FM



Have a Question for the Treasurer?

Send emails to:

AskFiona@treasurer.ca.gov,
with the subject line:
Ask Fiona

Address letters to:

California State Treasurer
Fiona Ma
Post Office Box 942809
Sacramento, CA 94209-0001



Ask Fiona

(continued)

D

Dear Fiona,

I am in the process of forming a 501(c)(3) charitable organization and will be doing business in California. I filed with the Secretary of State. Do I also need to register with the Attorney General's Office?

Daisy

Dear Daisy,

Yes, you do need to register your charity with the California Attorney General's Office. The Attorney General regulates charities and the professional fundraisers who solicit on their behalf. The purpose of this oversight is to protect charitable assets for their intended use and ensure that the charitable donations contributed by Californians are not misapplied and squandered through fraud or other means.

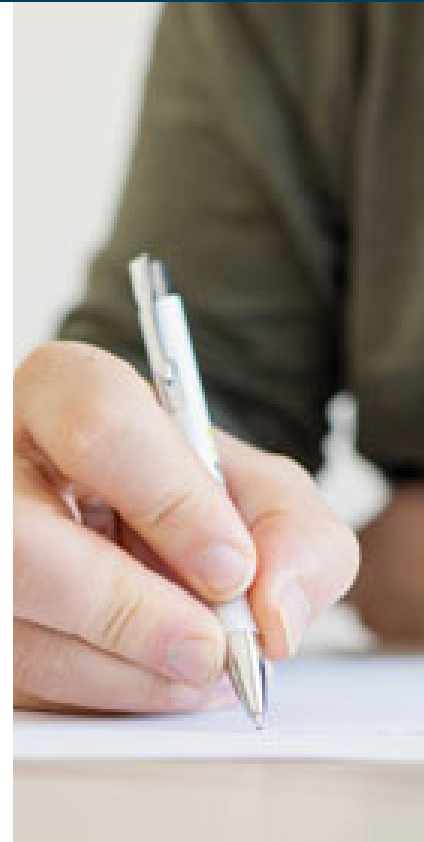
Charitable corporations, unincorporated associations, charitable trustees, and other legal entities holding property for charitable purposes must file an initial registration form with the Attorney General within 30 days of first receiving charitable assets. After the initial registration, there are also annual renewals. Initial registration and annual renewals apply to all charitable organizations doing business or holding property in California, including corporations formed in other states. The registration requirements, instructions, helpful webinars, and forms are available on the Attorney General's [Charities website](#).

Also, please remember that to keep your tax-exempt status, you must maintain records with the Franchise Tax Board, Internal Revenue Service, and California Secretary of State. The California Association of Nonprofits has a helpful [Nonprofit Compliance Checklist](#) to help charities keep up-to-date with annual filing requirements.

Sincerely,

Fiona

FM



2021 Tax Tips

The American Rescue Plan (ARP) expanded the Child and Dependent Care Credit, the Child Tax Credit, and the Earned Income Tax Credit and continued the Recovery Rebate Credit to provide much needed financial support for individuals and families in 2021. Below is a summary of some of the key ARP provisions that may affect your taxes, as well as some additional tax tips.



Child and Dependent Care Credit

The ARP temporarily boosted the [Child and Dependent Care Credit](#). This is an income tax credit that allows filers with an income below a certain level to reduce their tax liability by a percentage of their eligible child care expenses. The Child and Dependent Care Credit is fully refundable for the first time in 2021. This means an eligible taxpayer can receive it even if they owe no federal income tax. The amount of eligible expenses used to calculate the credit increased from \$3,000 to \$8,000 for one child and from \$6,000 to \$16,000 for more than one child. Also, the percentage of qualifying expenses eligible for the credit increased from 35% to 50%. This means that all families with adjusted gross incomes of up to \$125,000 will save up to one-half the cost of their eligible child care expenses, getting back up to \$4,000 for one child and \$8,000 for two or more children when they file taxes for 2021. At adjusted gross income levels above \$125,000, this percentage decreased.

Also, did you know that if you are unemployed and looking for a job, you may qualify for the Child and Dependent Care Credit? This credit allows you to claim the costs of qualifying child and dependent care that you paid while actively looking for a new job.

Child Tax Credit

The ARP expanded the Child Tax Credit for the year 2021 to reach more families, increase the amount of the credit, and to get these benefits into the hands of eligible taxpayers quickly through the use of [Advance Child Tax Credit Payments](#). In 2021, for most families, the Child Tax Credit increased to \$3,000 for each child between 6 and 17 years old and to \$3,600 for each child age 5 and under.

2021 Tax Tips

Advance Child Tax Credit payments are early payments from the Internal Revenue Service (IRS) of 50 percent of the estimated amount of the Child Tax Credit that you may properly claim on your 2021 tax return during the 2022 tax filing season. These monthly payments were issued from July through December 2021. If you received Advance Child Tax Credit payments, you should file a 2021 tax return to get the remainder of the credit for which you are eligible.

Also, the entire credit is fully refundable for 2021. This means that eligible families can receive the credit, even if they owe no federal income tax.



The infographic is a dark blue rectangle with white and yellow text. At the top, it says 'The Child Tax Credit' in large white font. Below that, there are two bullet points: the first has a yellow dollar sign icon and says '\$3,000 to \$3,600 per child for nearly all working families'; the second has a white house icon and says 'File your taxes by April 18, 2022 to get your CTC and other tax benefits'. At the bottom, it says '#GetYourTaxCredits and learn more at ChildTaxCredit.gov' in white, with a small white icon of the US Capitol building to the right.

Earned Income Tax Credit

The ARP expanded the federal [Earned Income Tax Credit \(EITC\)](#) to include the following provisions:

- For the 2021 tax year, the credit ranges from \$1,502 to \$6,728, depending on your filing status and how many children you have.
- For 2021, the minimum age to collect EITC decreased from 25 to 19 and the maximum age cap was removed.
- The maximum amount of EITC for taxpayers without children increased from \$543 in 2020 to \$1,502 in 2021.
- All taxpayers claiming an EITC in 2021 will have the option to use their 2019 earned income to calculate the credit if it was higher than their 2021 earned income. This option may result in a higher credit.

Recovery Rebate Credit

The ARP authorized a third round of stimulus payments in 2021. The payment amounts were based on your 2020 tax return. If you did not receive the full amount of the third stimulus payment, you can claim a [Recovery Rebate Credit](#) on your 2021 tax return.

2021 Tax Tips

(continued)

California Earned Income Tax Credit and Young Child Tax Credit

In 2021, California tax filers who earned less than \$30,000 a year and have a Social Security Number or an Individual Taxpayer Identification Number may be eligible for the [California Earned Income Tax Credit \(CalEITC\)](#) and [Young Child Tax Credit \(YCTC\)](#), worth hundreds or even thousands of dollars when they file their tax returns. It's easy to find out how much you might be able to boost your tax refunds this year with the CalEITC and YCTC - just visit [CalEITC4me.org](#).

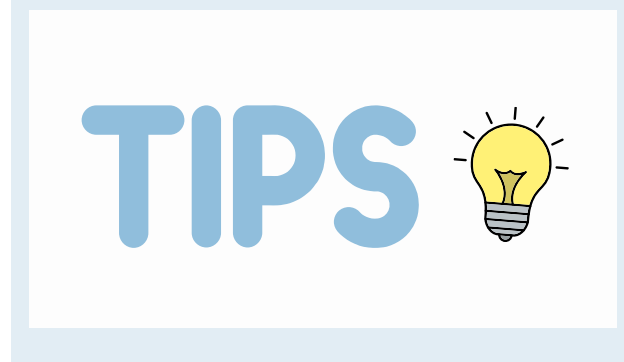
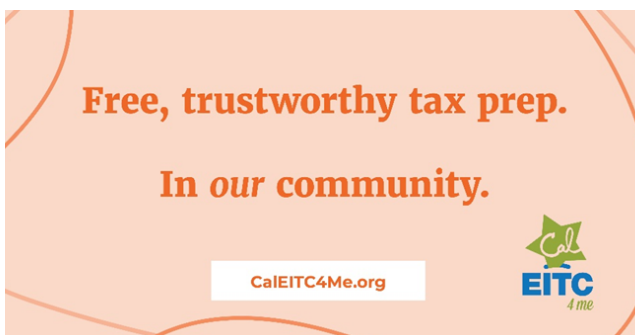
College Access Tax Credit

Tax filers who contribute to the College Access Tax Credit Fund may be eligible for a tax credit equal to 50% of their contributions. This fund is administered by the [California Education Facilities Authority](#), which Treasurer Ma chairs. A portion of these contributions goes to the [California Student Aid Commission](#). Cal Grants are awarded to students pursuing an undergraduate degree or vocational training at qualifying colleges and who have family income and assets below certain levels.

Free Tax Preparation Assistance

Do you need help filing your tax returns? The Internal Revenue Service administers the Volunteer Income Tax Assistance (VITA) Program to provide free basic tax return preparation for low- and moderate-income taxpayers. You may be eligible to receive free in-person or online tax preparation assistance. There are also options to file online on your own for free. For more information and to find a tax location near you, visit [MyFreeTaxes.org](#) or [CalEITC4me.org](#).

If you're looking to give back to your community, there is a need for Volunteer Income Tax Assistance volunteers. You can volunteer in-person or virtually. To get started with volunteering, use your cell phone to text the word VOLUNTEER to the following number at 211-211.



2021 Tax Tips

(continued)

Save for the Future

To get a head start on saving for the future, consider contributing your tax refund to one of the three savings programs administered by the State Treasurer's Office:

- [ScholarShare529.com](https://www.scholarshare529.com) California's college savings plan, helps families save for their children's higher education expenses. One great advantage of this program is that earnings are tax-free if they are spent for qualified higher education expenses. ScholarShare529 even coordinates with the Franchise Tax Board (FTB) to make it easy to deposit your tax refund directly from the FTB into your college savings account.
- [CalABLE](https://www.calable.org) allows those who are living with a disability that occurred before age 26, in most cases, to open a tax advantaged savings and investment account. Earnings are tax-free if the funds are used to pay for disability-related expenses. In addition, assets in a CalABLE account of up to \$100,000 do not affect your eligibility to receive state and federal benefits such as Supplemental Security Income (SSI) and Medicaid.
- [CalSavers](https://www.calsavers.com) helps those who do not have access to an employer-based retirement plan save for their own retirement. This program provides Californians with a simple, portable, low-cost way to invest in their futures. Individuals do not need to sign up for CalSavers through an employer. They can sign up on their own online, by phone, or through the CalSavers mobile app. They must be at least 18 years of age, have earned income, have a bank account from which they will make contributions, and provide some personal information, residential address, and date of birth. It takes just a few minutes to get started and savers can pick from a simple menu of high quality investment options.



Scholarshare529



CalSavers



CalABLE

Disaster Relief Deduction

Victims of a current President of the United States or a current elected Governor-declared California disaster may claim a [disaster loss deduction](#) on their state tax return. The IRS and FTB may also grant additional time to file and pay taxes. California follows federal law regarding the treatment of losses occurred as a result of a casualty or disaster.

Voluntary Contributions

Did you know that you can make a charitable donation when you file your state income taxes? By opting to donate on your state income tax return, you can provide vital financing to critical programs that serve the essential needs of Californians. There are a number of voluntary tax contribution funds to choose from, including the Rape Kit Backlog Fund, California Firefighters' Memorial Fund, and Prevention of Animal Homelessness and Cruelty Fund.

2021 Tax Tips

(continued)

Making a donation is easy! When preparing your California income tax return, go to the “Contributions” section, choose the fund(s) you wish to support, and enter your donation amount. You can contribute as little as \$1.00. Your donation is tax deductible when you file your taxes next year.

For more information on [voluntary contributions](https://www.ftb.ca.gov/file/personal/voluntary-contribution-funds/index.html), please visit <https://www.ftb.ca.gov/file/personal/voluntary-contribution-funds/index.html>.

Beware of Tax Scams

Tax scams are especially prevalent during tax filing season. Beware of these top five scams of 2021:

- ***Fake Charities:*** Be on the lookout for scammers who set up fake organizations and ask for donations.
- ***Immigrant/Senior Fraud:*** FTB and IRS impersonators may call and make threats of arrest, deportation, suspension of a business or driver’s license, or even jail time, unless the person makes an immediate cash payment. Remember, the IRS will initially contact you by mail, not over the phone.
- ***Offer in Compromise “Mills”:*** Beware of promoters claiming their services are needed to settle with the IRS, that your debts can be settled for “pennies-on-the-dollar,” or that there is a limited window of time to resolve tax debts through the Offer in Compromise program.
- ***Unscrupulous Tax Return Preparers:*** Choose your tax preparer wisely. Be wary of unethical tax preparers who refuse to sign the tax returns they prepare, require payment in cash only, will not provide a receipt, or direct refunds into their bank account.
- ***Unemployment Insurance Fraud:*** Criminals have been exploiting the pandemic by filing fraudulent claims for unemployment compensation using stolen identities.

If you believe you are a victim of a tax-related scheme or identity theft, learn how to report the crime by visiting the IRS’s webpage, [How Do You Report Suspected Tax Fraud Activity?](#)

This material has been prepared for general informational purposes only and may not reflect the most current legal developments. This material is not intended to provide, and should not be relied on, for tax or legal advice and is subject to change without notice. Please consult a tax professional for advice regarding your individual situation.



Calendar of Upcoming BCA Events

Boards, Commissions and Authorities (BCAs) Within the State Treasurer's Office

FEBRUARY



- 15 [CA Alternative Energy and Advanced Transportation Financing Authority \(CAEATFA\)](#) Board Meeting
- 16 [Pooled Money Investments Board \(PMIB\)](#) Board Meeting
- 24 [CA Health Facilities Financing Authority \(CHFFA\)](#) Board Meeting
- 24 [CA School Finance Authority \(CSFA\)](#) Board Meeting
- 28 [CalSavers Retirement Savings Board](#) Board Meeting

Teleconference information, other scheduled BCA meetings, agendas, application deadlines, and more, may be accessed as the information is posted or updated on the Treasurer's website:

<https://www.treasurer.ca.gov/>

Meeting dates and times may change; please check the BCA links included above for such notices, as well as for teleconference details.

***Note:** The State Treasurer's Office provides essential services for the citizens of California. In order to protect the health of our community in response to COVID-19, the BCAs have modified standard committee meeting procedures. Participants, interested parties, and non-essential staff are requested to join meetings via teleconference. Social distancing measures also have been adopted at meeting locations, which will limit the space available for in-person attendees. Public participation and comment periods will not be impacted.*



The Vault

A calendar of recent and upcoming bond sales

March 9, 2022

State of California Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds (March 2022) - Amount to Be Determined

Proceeds of the upcoming sale will provide funding for projects and programs under various bond acts, pay certain outstanding commercial paper notes that were issued to fund projects and programs under various bond acts, and refinance previously issued bonds for debt service savings.

March 23, 2022

State Public Works Board of the State of California Lease Revenue Bonds, 2022 Series D - Approximately \$300 million

Proceeds of the upcoming sale will be used to finance certain projects for the State Public Works Board and for the Air Resources Board.

Week of March 27, 2022

California Health Facilities Financing Authority: No Place Like Home Program Senior Revenue Bonds, Series 2022 (Social Bonds - Federally Taxable) - Approximately \$1.05 billion

Proceeds of the upcoming bond sale will provide funding to the Department of Housing and Community Development's No Place Like Home Program, which aids in the acquisition, design, construction, rehabilitation, preservation and operation of permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

Spring 2022

Regents of the University of California - Medical Center Pooled Revenue Bonds - Amount to Be Determined

Proceeds of the upcoming bond sale will finance or refinance certain improvements to the Medical Centers or for such other purposes for the benefit of the Medical Centers as authorize by the Regents.



More information about the upcoming bond sales can be found at:

BuyCaliforniaBonds.com



Note: The bond issuances described (including the amounts and timing thereof) are preliminary and subject to change or cancellation based on market conditions or other factors as determined by the State Treasurer.



In the Community



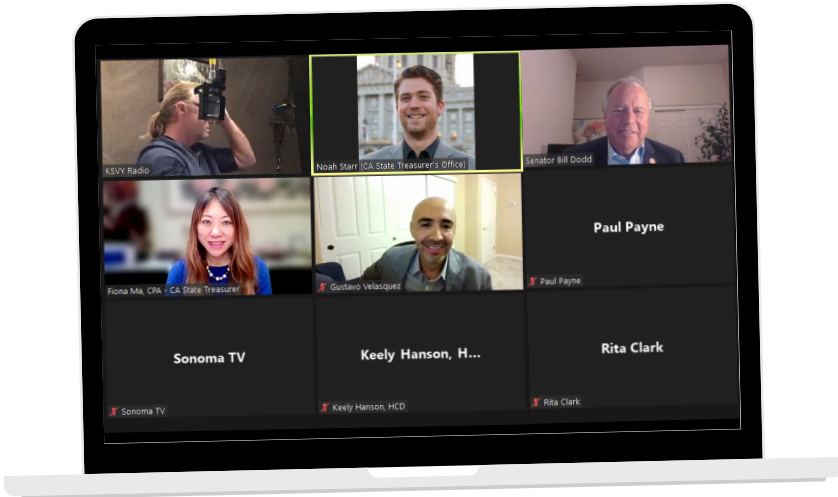
December 2 – Treasurer Ma attended the California School Boards Association's Annual Education Conference & Trade Show at the San Diego Convention Center. During the First General Session, she spoke about the work of Boards she chairs in her office, the California School Financing Authority, the California Debt and Investment Advisory Commission and three savings programs, ScholarShare 529, CalSavers and CalABLE. Treasurer Ma also joined a panel titled, "California's Fiscal & Economic Outlook: Implications for K-12 Schools" with moderator Jack O'Connell, former State Superintendent of Public Instruction and founding partner of Capitol Advisors Group, as well as presenters Angelov Farooq, Vice President, Riverside Unified School Board and Abe Hajela, Partner, Capitol Advisors Group, LLC.



December 16 – Treasurer Ma spoke about her roles as Treasurer and her experience in elected office as a woman of color on the "Ask Me Anything" panel at the launch of Global:SF Women. Global:SF Women has spearheaded an effort to create a community for women entrepreneurs and investors to support each other with resources and advice. Special thanks to Treasurer Ma's co-panelists Chef Tanya Holland of Brown Sugar Kitchen, Julie Castro Abrams of How Women Lead, Florence Van Dyke of Chia Sisters, Miyoko Schinner of Miyoko's Creamery, and moderator Ilaria Chan of Grab and Tech For Good Institute.



In the Community



1 - Treasurer Ma (middle left) joined Department of Housing and Community Development Director Gustavo Velasquez (center) for or Bill Dodd's (upper right) virtual town hall housing. The Treasurer shared the work and the Boards, Commissions, and she chairs are doing to help address affordability in California through state and -income housing tax credits.

January 18 - Treasurer Ma joined the Rotary Club of Chico as its guest speaker during one of its weekly meetings. The Chico Rotary Club will celebrate its 101st Anniversary this year! As such, the Treasurer provided a California Treasury 101 for those in attendance, as well as highlighted a few Chico-based projects that will provide additional housing to the area.



January 19 - Treasurer Ma stopped by the California Society of Certified Public Accountants' 2022 Legislative Summit for a fireside chat with Jim Gross, partner of Nielsen Merksamer Parinello Gross & Leoni LLP. The summit was designed to expose CalCPA members to the political and policymaking landscape for the year as well as beyond. The Treasurer, a CPA herself, addressed CPAs from around the state and shared her expertise.

Photo Credit: Missy Johnson



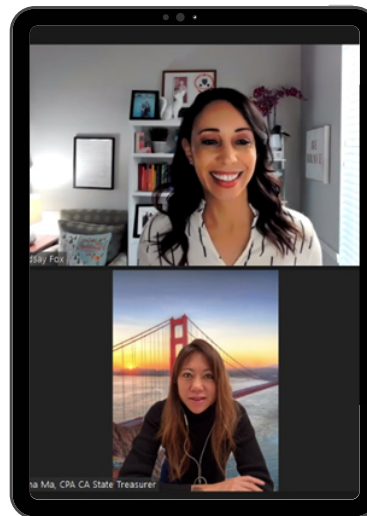
In the Community



January 20 – Treasurer Ma met with representatives from the California Association of County Treasurers and Tax Collectors for the organization’s virtual lobby day. The Treasurer gave an update on the work of her office and fielded concerns and matters of interest from California’s various County Treasurers and Tax Collectors.

January 28 – Treasurer Ma joined United Way Fresno & Madera Counties’ CEO & President Lindsay Fox for a virtual conversation on Earned Income Tax Credit (EITC) Awareness Day. The Treasurer shared information about how claimants can leverage their savings in one of the three tax-advantaged savings and investment programs housed in the State Treasurer’s Office: CalSavers, CalABLE, and ScholarShare 529.

A recording of the webinar is available here at: <https://fb.watch/aU52AiNugj/>



January 28 – Treasurer Ma joined the Chinese Newcomers Service Center 新僑服務中心 for its 2022 Free Tax Service Kickoff press conference on EITC Awareness Day to help raise awareness of tax credits and free filing services that can help Californians bring money back to their households.

