

College Access Tax Credit Fund

FREQUENTLY ASKED QUESTIONS (FAQ)

Version: March 2, 2016

What is the College Access Tax Credit Fund?

Senate Bill 798 ("SB 798"), codified under Revenue and Taxation Code sections 17053.86 and 23686, was signed into law by the Governor on September 16, 2014 and became effective immediately as an urgency statute. Senate Bill 81 ("SB 81" or together with SB 798, the "bills") was signed into law by the Governor on June 24, 2015, amended Revenue and Taxation Code sections 17053.86 and 23686 and added sections 12207, 17053.87, and 23687. The bills authorize a College Access Tax Credit ("tax credit") for taxable years beginning on or after January 1, 2014, and before January 1, 2018, based on a percentage of the taxpayer's contribution to the College Access Tax Credit Fund (the "Fund"). The California Educational Facilities Authority ("CEFA" or the "Authority") is required to allocate and certify the tax credit.

What is the amount of the College Access Tax Credits?

The Authority shall allocate and certify tax credits totaling no more than \$500 million in a calendar year, in addition to the amount of any unallocated and uncertified tax credits in the previous calendar year for years 2014, 2015, and 2016. The amount of the tax credit for a taxpayer is based on a percentage of the taxpayer's contribution to the Fund as follows:

- 60% for 2014 Taxable Year
- 55% for 2015 Taxable Year
- 50% for 2016 Taxable Year

The Authority shall allocate and certify tax credits in an amount equal to \$500 million in the 2017 calendar year. The amount of the tax credit for a taxpayer during the 2017 Taxable Year is an amount equal to 50% of the taxpayer's contribution to the Fund.

Where can I find the application, regulations, and statute?

The application, regulations, and statute can be found on CEFA's website at: <http://www.treasurer.ca.gov/cefa/catc/index.asp>

You may also sign up to receive automatic updates and announcements about the tax credits by going to CEFA's website and clicking on the "Sign up to receive CEFA information" link on the left side of the screen. You may also contact CEFA staff at (916) 654-5711 or CollegeAccessTCF@treasurer.ca.gov

When is the application deadline?

The Authority will be accepting applications as follows:

- Applications for the 2014 Taxable Year will be accepted from November 3, 2014 through January 2, 2015, 5:00 pm (Pacific Time).
- Applications for the 2015 Taxable Year will be accepted from July 1, 2015 through January 4, 2016, 5:00 pm (Pacific Time).
- Applications for the 2016 Taxable Year will be accepted from March 2, 2016 through January 3, 2017, 5:00 pm (Pacific Time).
- Applications for the 2017 Taxable Year will be accepted from March 2, 2017 through December 31, 2017, 5:00 pm (Pacific Time).

How can I submit the application?

The application must be submitted to the Authority by mail, in person, facsimile, or online.

- Hardcopy applications must be delivered by mail, in person, or facsimile to:
California Educational Facilities Authority
915 Capitol Mall, Room 590
Sacramento, CA 95814
Attn: Operations Manager
Facsimile to (916) 653-2179
- Online applications must be submitted at <http://www.treasurer.ca.gov/cefa/catc/index.asp>

What if my application is lost in the mail or the internet fails?

The Authority is not responsible for any carrier, mail, facsimile, or website transmittal or delivery delays or failures of any kind.

Why should I provide my telephone number?

If the Authority finds an issue with any part of your application or contribution, they may contact you by telephone to resolve the issue quickly. If a taxpayer prefers to not provide a telephone number, any inquiries will be sent by U.S. Mail or the application or contribution may be rejected.

After I have submitted an application, how will I know if I will receive a College Access Tax Credit Certification and the amount of the tax credits?

If tax credits are available, the Authority will send the taxpayer a Notice of Allocation Reservation and a Contribution Submittal Form. In order to receive a College Access Tax Credit Certification, the taxpayer must submit the contribution along with the Contribution Submittal Form to the Authority. The contribution and the Contribution Submittal Form must be received by the Authority within 20 days from the date shown on the Notice of Allocation Reservation. The amount of the tax credits is a percentage of the contribution.

What happens if the Authority does not allocate and certify all of the tax credits within a calendar year?

Unallocated and uncertified tax credits will rollover to the next calendar year.

What if the Authority receives applications for tax credits greater than the amount available?

The Authority shall reserve tax credits for allocation and certification to taxpayers on a first come first served basis, as determined by the date the application was received by the Authority. If two or more applications are received by the Authority on the same day and the amount of tax credits available is insufficient to fully allocate and certify tax credits to each taxpayer, the tax credits shall be reserved for allocation and certification to those taxpayers on a pro-rata basis. Applications received by the Authority after 5:00 p.m. (Pacific Time) will be deemed to be received by the Authority on the following day.

Is there a limit to how much I can contribute to the Fund?

No. The Authority shall reserve tax credits for allocation and certification to taxpayers on a first come first served basis, up to the amount of credits available, as determined by the date the application is received by the Authority.

After my tax credit has been reserved, can I contribute an amount higher or lower than the amount shown on the Notice of Allocation Reservation and the Contribution Submittal Form?

- If the contribution amount received by the Authority is greater than the amount specified on the Notice of Allocation Reservation, the Authority may increase the amount of tax credits allocated and certified to the taxpayer at its discretion if tax credits are available. However, if tax credits are not available for the greater amount, the contribution will be returned and the taxpayer will not receive a College Access Tax Credit Certification. The taxpayer may apply again, but the application must be received by the Authority prior to the deadline.
- If the contribution amount received by the Authority is less than the amount specified on the Notice of Allocation Reservation, the Authority may decrease the amount of tax credits allocated and certified to the taxpayer. The remaining amount of tax credits may be made available to other taxpayers.

How much time will taxpayers have to submit a contribution along with the Contribution Submittal Form?

Both the contribution and the Contribution Submittal Form must be received by the Authority within 20 days from the date indicated on the Notice of Allocation Reservation.

To whom or what should the money order or cashier's check be payable?

The money order or cashier's check should be made payable to the College Access Tax Credit Fund.

What information do I need to provide to submit my contribution by the Automated Clearing House (ACH) Online Payment?

A taxpayer will need to provide their checking/savings routing number, account number, and an email address.

What happens if the contribution and the Contribution Submittal Form are not both received by the deadline?

If the Authority does not receive both the contribution and the Contribution Submittal Form by the date indicated on the Notice of Allocation Reservation, the reserved tax credits may be made available to other taxpayers.

If the Authority does not accept my contribution, when will it be returned to me?

The Authority will strive to return the contribution no later than 60 days after receipt of the Contribution.

What if I am unsure that my contribution was received?

To verify contribution receipt or for any questions relating to the College Access Tax Credit Fund, please call CEFA's College Access Tax Credit Fund phone number at (916) 654-5711.

How will the tax credit affect my taxes?

For tax-related questions, please check the California Franchise Tax Board's website at <http://www.ftb.ca.gov> or call (800) 852-5711.

When will I receive my College Access Tax Credit Certification?

The Authority will issue a College Access Tax Credit Certification to the taxpayer within 15 days after receipt by the Authority of the contribution and Contribution Submittal Form.

What is CEFA’s College Access Tax Credit Fund’s Privacy Notice?

A link to the privacy notice can be found at: <http://www.treasurer.ca.gov/cefa/catc/privacy.pdf>

What information will be shared with California Franchise Tax Board (FTB) or the Department of Insurance?

Information provided by the taxpayer to the Authority, including a copy of the taxpayer’s College Access Tax Credit Certification and the Contribution Submittal Form, will be provided to FTB and/or the Department of Insurance.

Is this a charitable contribution that can be used towards my federal taxes?

For tax-related questions, please check the California Franchise Tax Board’s website at <http://www.ftb.ca.gov> or call (800) 852-5711.

Can non California Residents make contributions if they file a California state tax return?

For tax-related questions, please check the California Franchise Tax Board’s website at <http://www.ftb.ca.gov> or call (800) 852-5711.

Will the Authority provide an acknowledgement stating the date and amount of the contribution and a statement that the taxpayer received no goods or services in return for the contribution?

The College Access Tax Credit Certification will include the taxpayer’s name, contribution amount, the tax credit, and a statement that the taxpayer did not receive any goods or services in return for the donation to the Fund.