

COLLEGE ACCESS TAX CREDIT FUND

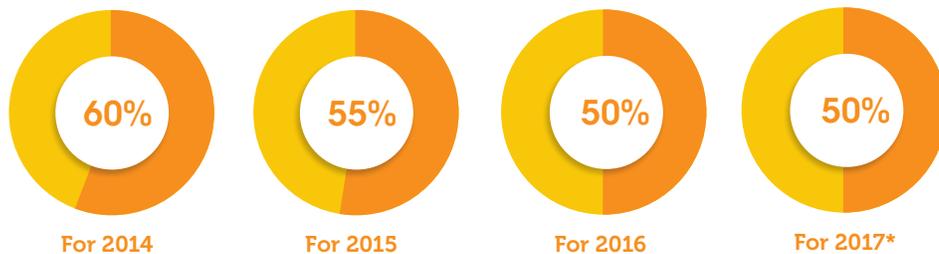


WHAT IS IT?

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 December 31, 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 December 31, 2017, 5:00 p.m. (Pacific Time)

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

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 12/1/17. Her proposed contribution is \$10,000. CEFA mails Jane a notice granting her a \$5,000 tax credit reservation (50% x \$10,000) on 12/10/17. CEFA also sends Jane a Contribution Submittal Form that states Jane must send in her contribution no later than 12/24/17. Jane makes a \$10,000 cash contribution to the Fund on 12/17/17. CEFA then sends Jane a \$5,000 College Access Tax Credit Certification on 12/19/17.

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

If Jane applied for the college access tax credit reservation on 12/30/17 and CEFA granted the tax credit reservation on 1/6/18, she would still be able to claim a 50% credit on her 2017 tax return. However, she is not able to claim the federal charitable contribution until the 2018 taxable year.