

New Tax Credit for California's Foster Youth Reaches \$1 Million Mark *State is the First in Nation to Establish Tax Credit for Foster Youth*

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California's newest tax credit is off to a strong start, with over \$1 million claimed in less than a month of filing, according to the California Franchise Tax Board (FTB).

The Foster Youth Tax Credit ([FYTC](#)) was established in 2022 and is part of the state's earned income tax program. According to data provided by the FTB, 993 youth have claimed the tax credit as of February 18, 2023, claiming a total of \$1,013,144.

John Burton Advocates for Youth (JBAY) advocated for the creation of the tax credit after conducting a six-county [pilot](#) that found tax filing increased the annual income of foster youth by 15%. For youth who were custodial parents, the impact was greater: 31%.

According to Amy Lemley, Executive Director at JBAY, former State Controller Betty Yee and Governor Gavin Newsom were instrumental in its inclusion in the 2022-23 state budget.

"The Governor and former State Controller Yee recognized the special commitment the state has to youth in foster care," Lemley said. "We are the first state in the nation to have a tax credit for foster youth and that demonstrates the commitment of our leaders."

The FTB data provides the number of returns by county, age of filer and how the individual filed their taxes. Through February 18, Los Angeles County led the state with 176 returns.

Lemley expects these numbers will go much higher by the time of the tax filing deadline. "An estimated 80,000 current and former foster youth are eligible for the Foster Youth Tax Credit. This exciting new program is putting money in their pockets to remain stably housed, purchase food and meet unforeseen financial needs."

Anna Johnson, Associate Director of Housing and Health at JBAY, leads the organization's outreach efforts. "The Foster Youth Tax Credit is a strong incentive for young people to file their taxes, build their economic literacy skills and take advantage of other important tax programs that lift them out of poverty."

Former foster youth Brianna Gonzalez recently attended a self-filing event in Riverside County and received the tax credit. "The event was helpful especially because a lot of us foster youth don't have anyone to teach us such an important part of life. It helped me get some hard-earned money back."

JBAY is working closely with the FTB and the California Department of Social Services to implement the program, while also sponsoring a statewide "challenge" of county child welfare agencies, with the goal of increasing rates of tax filing among youth. Finally, JBAY is fielding specialized tax assistance centers across California and conducting a wide-scale public education campaign. These efforts are possible due to its private philanthropic supporters.

About John Burton Advocates for Youth

John Burton Advocates for Youth improves the quality of life for youth in California who have been in foster care or homeless by advocating for better laws, training communities to strengthen local practices and conducting research to inform policy solutions. For more information, please visit www.jbay.org or contact Executive Director Amy Lemley at Amy@jbay.org.