

**\*NEW CALIFORNIA STATE TAX CREDIT AVAILABLE TO CURRENT & FORMER FOSTER YOUTH\***

**ATTENTION TAX PREPARERS:** Individuals seeking your tax preparation services may be eligible for a new refundable state tax credit called the **California Foster Youth Tax Credit (FYTC)**. This tax credit, a program of the California Earned Income Tax Credit (CalEITC), first became available during the 2023 tax season to eligible tax filers ages 18-25 who have been in California's foster care system.

As a result of a very small eligible population and the newness of the credit, unfortunately, very few tax filers who receive assistance from professional preparers receive the credit. We are providing this information to help ensure that eligible individuals you assist, do not miss the credit. Below are the eligibility guidelines for the FYTC, as well as information about where to locate the credit on the California state tax return. Thank you in advance for your assistance in helping spread the word about this important credit.

If you have any questions about the FYTC, please visit the California Franchise Tax Board's FYTC webpage: <https://www.ftb.ca.gov/file/personal/credits/foster-youth-tax-credit.html>, or contact John Burton Advocates for Youth, the organizational sponsors of the legislation (SB 201, 2022) that established the FYTC, at [FYTC@jbay.org](mailto:FYTC@jbay.org).

**FYTC OVERVIEW & ELIGIBILITY**

The California Foster Youth Tax Credit (FYTC) is a refundable tax credit, providing up to \$1,154 to eligible tax filers on their 2024 California state taxes. Eligible individuals:

- ✓ **Were between the ages of 18 and 25 on the last day of the tax year** (i.e. for those filing their 2024 taxes, they had to be at least age 18 and not have yet turned 26 on December 31, 2024).
- ✓ **Were in foster care in a California county on or after age 13** (i.e. if they left foster care prior to turning 13, they are not eligible).
- ✓ **Are eligible for the CalEITC.**

Additional information:

- Filers who make \$25,000 or less will receive the full credit amount (\$1,154). Those that make more than \$25,000, the credit begins to phase out, reaching \$0 at \$31,950.
- For those filing or amending previous year taxes, eligible individuals can claim the FYTC on their 2022 and 2023 taxes. The FYTC is worth up to \$1,083 on the 2022 tax return and \$1,117 on the 2023 tax return.
- The FYTC is awarded per qualifying taxpayer. The credit would be up to \$2,308 for the 2024 tax year if both primary taxpayer and spouse/RDP qualify.

**FYTC ON THE STATE TAX RETURN**

**Finding the FYTC:** The FYTC can be found on the 2024 FTB 3514 form, California Earned Income Tax Credit, or by following your tax software instructions.

**Eligibility Verification (important):** To claim the FYTC, the tax filer's eligibility must be verified.

- Eligibility is verified through the California Department of Social Services (CDSS) and Franchise Tax Board (FTB). It is important that consent is provided for this verification by checking the box on line 33 of the FTB 3514 form, or by following the instructions specific to your tax software.
- Filers may *optionally* upload proof of eligibility, which comes in the form of a letter from their county child welfare agency or the California Department of Social Services. This provides a back-up method to verify eligibility in the event that the state verification process fails, or the filer does not consent. Although state verification has been successful, if the filer has a letter, they should upload it. If they do not have it, that is alright.
- If neither the consent box is checked nor the verification letter is uploaded, FTB will mail the filer a letter requesting verification.