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(Date)

The Honorable Anna Caballero, Chair

Senate Appropriations Committee

California State Capitol, Room 412

Sacramento, CA 95814

**Re: Senate Bill 624 (Caballero): Foster Youth Tax Credit: Support**

Dear Chair Caballero,

On behalf of (Name of Organization), I am pleased to offer our strong support of SB 624, which would increase access to the California Foster Youth Tax Credit (FYTC) by institutionalizing FYTC outreach efforts at the county level.

(Brief statement describing what the organization does).

SB 624 (Caballero) would require county child welfare agencies and juvenile probation departments to mail information annually about the FYTC and tax filing to all nonminor dependents and would require the California Department of Social Services to provide bi-annual state guidance to counties on FYTC implementation best practices.

The FYTC is the first tax credit in the nation for transition-age current and former foster youth. In 2025, eligible youth receive up to $1,154 from the FYTC when they file their state taxes. During the 2024 tax season, the FYTC provided $6.1 million to nearly 5,700 youth, approximately 16% of the estimated 36,275 eligible youth.

While the FYTC alone is impactful in the monetary benefit it provides, the power of the FYTC as a poverty reduction tool is borne out in the incentive it provides to file taxes. When youth file, they also benefit from other state and federal tax credits. In 2024, FYTC recipients who filed as single received an average of $1,370 in their total tax return, and $5,265 for head of household (parenting) filers. This increased Adjusted Gross Income by 8% for single filers and a full 57% for head of household filers.

Given the FYTC’s tremendous benefit, education and outreach at the local level are critical to increase uptake of this important resource. The county outreach established by SB 624 would reach a total of 7,400 FYTC-eligible youth between age 18-20. This would mean foster youth are receiving this information when they first become age-eligible for the FYTC, helping them become accustomed to filing taxes and claiming the FYTC, which will have lasting effects through their early 20s and beyond.

The state guidance required by the bill would promote awareness and encourage county agencies to partner with local Volunteer Income Tax Assistance sites, incorporate tax education into their Independent Living Program curricula, and engage in a range of outreach strategies in partnership with community-based providers.

For a population at significantly disproportionate risk of homelessness and lacking the support of a permanent family, SB 624 is a crucial step in breaking the cycle of intergenerational poverty during this pivotal stage of young adulthood. For these reasons, we are proud to support SB 624 and encourage your “aye” vote when it is heard in your committee.

Best regards,

(Signature)

(Name, Title)

(Organization)

CC: Members, Senate Appropriations Committee