

SB 624 (Caballero):
The Foster Outreach and Support for Tax Education Readiness (FOSTER) Act
FREQUENTLY ASKED QUESTIONS

1. What is the goal of SB 624?

The goal of SB 624 is to reduce poverty among current and former foster youth by increasing access to the California Foster Youth Tax Credit (FYTC). SB 624 aims to institutionalize education and outreach about the FYTC and tax filing within county child welfare agencies and juvenile probation departments.

2. What are the provisions of SB 624 (Caballero)?

SB 624 would require county child welfare agencies and juvenile probation departments to mail information to all nonminor dependents about filing state and federal income tax returns and the California Foster Youth Tax Credit (FYTC). The mailing would occur annually between November 1 and January 31.

SB 624 would also require the California Department of Social Services to issue guidance to county child welfare agencies and juvenile probation departments on best practices for encouraging nonminor dependents to file taxes and access the FYTC. The guidance would be updated as needed and reissued no less than every two years thereafter.

3. What is the California Foster Youth Tax Credit (FYTC)?

The FYTC is a refundable state tax credit for current and former foster youth. In the 2025 tax season, eligible youth receive up to \$1,154. Eligible youth were between ages 18 and 25 during the tax year and were in foster care on or after their 13th birthday. Because the FYTC is a program of the California Earned Income Tax Credit (CalEITC), youth must also be eligible for the CalEITC, which requires earned income during the tax year of at least \$1, and no more than the maximum income threshold, which in 2025 is \$31,950. The FYTC was championed by Governor Gavin Newsom, Senator Anna Caballero, and former State Controller Betty Yee, established by [SB 201](#) (2022) and funded in the 2022-23 state budget at \$21 million annually.

4. Is there evidence demonstrating the impact of the FYTC?

Yes, there is evidence that the FYTC is a powerful poverty reduction tool. The FYTC incentivizes current and former foster youth to file their taxes, despite most not being legally required to file due to being below the income threshold. When youth file, they not only receive \$1,154 from the FYTC, but they also benefit from other state and federal tax credits such as the earned income taxes credits, and if parenting, child tax credits. As shared in a 2024 [report](#) by John Burton Advocates for Youth (JBAY), in 2024, FYTC filers received an average of \$1,370 in their total tax return for single filers and \$5,265 for head of household filers (i.e. parenting youth).ⁱ This

increased their Adjusted Gross Income (AGI) by 8% for single filers and a full 57% for head of household filers (i.e. parenting youth).ⁱⁱ

5. What is the current uptake rate among youth eligible for the FYTC, and how many youth are estimated to be eligible?

In 2024, a total of 5,696 current and former foster youth filed their state taxes and received the FYTC. This is 16% of the estimated eligible population of 36,275. According to data provided by DSS, for the calendar year 2023, there were 64,163 current and former foster youth, aged 18 to 25 who were in foster care on or after their 13th birthday, which are the age and foster care eligibility parameters for claiming the FYTC.

Additionally, the taxpayer must earn at least a dollar during the tax year to be eligible, reducing the number of eligible youth to 36,275, based on employment data from the California Child Welfare Indicators Project. Finally, an individual may not be claimed as a dependent on another tax return, such as that of a foster parent, relative or other adult. This would further reduce the total number of eligible foster youth, but as this precise figure is not known, this analysis conservatively estimated the number of individuals eligible for the FYTC in 2024 to be 36,275.

6. What evidence suggests that SB 624 will lead to an increase in FYTC uptake?

Stakeholders have been working to promote the FYTC, assist youth with filing their taxes for free, and test various outreach strategies. This [includes](#) informational webinars; establishment of foster youth-specific Volunteer Income Tax Assistance (VITA) sites; development of informational flyers, self-filing tools and a “taxes 101” curriculum; as well as an FYTC digital marketing campaign.

The most impactful strategy to date has been outreach conducted by county child welfare agencies via a printed flier mailed to all nonminor dependents, which was piloted in Alameda, Los Angeles, San Francisco and Santa Clara Counties in 2024. Three of these counties experienced the largest increase in the number of youth who received the FYTC from 2023 to 2024 within their county size categories. The fourth county experienced the second-highest increase.

These results are consistent with [research](#) which found that the most effective method of increasing tax credit uptake is a letter from the IRS.ⁱⁱⁱ While county child welfare agencies are not the Internal Revenue Service (IRS) or the Franchise Tax Board (FTB), they are an official government institution familiar to youth in foster care, and from which youth receive foster care checks. And critically, county child welfare agencies are the only government entities with access to the mailing addresses of foster youth, making them uniquely positioned to implement this approach effectively.

7. Under SB 624, what would the information include that is mailed annually to nonminor dependents?

The information mailed would include eligibility requirements for the FYTC, the maximum amount of the FYTC for the forthcoming tax season, the availability of other state and federal credits that youth may be eligible for, resources to assist with self-filing for free, and the location of and how to schedule an appointment or otherwise receive services from a local IRS-certified Volunteer

Income Tax Assistance (VITA) site. If no VITA sites are available within the county, information would be provided about VITA sites in nearby counties.

8. Under SB 624, what type of guidance would be provided by the California Department of Social Services?

The guidance would include a description of the FYTC, the mailing outreach requirement established by this bill, additional outreach strategies to increase awareness among nonminor dependents and former foster youth about the FYTC, resources from the IRS website for identifying local VITA sites, resources available from stakeholders or state agencies to aid with executing these strategies.

9. Does SB 624 have a cost attached to it?

The cost of implementing SB 624 has been estimated by the Senate and Assembly Appropriations Committees to be in the tens of thousands annually. This figure is based on the estimated cost of 58 counties executing an annual mailing to all non-minor dependents under their agency's supervision, and of the state issuing guidance to counties bi-annually, via an All County Information Notice.

10. Where can you learn more about the first two years of FYTC implementation?

JBAY has issued a report each year since the FYTC was established, each accompanied by an informational webinar:

- [Gaining Momentum: How the Foster Youth Tax Credit Performed in 2024](#) (2024)
- [California's Historic Tax Credit for Foster Youth: Assessing Progress in its Inaugural Year](#) (2023)

ⁱ Please note that the data provided in JBAY's **report** pre-dated final data provided by the FTB, and so figures will differ slightly.

ⁱⁱ Data on average total tax returns of FYTC recipients was provided by four Volunteer Income Tax Assistance (VITA) sites JBAY partnered to establish with four nonprofit organizations serving current and former foster youth. Collectively, these four sites assisted and provided data on a total of 619 youth during the 2024 tax season.

ⁱⁱⁱ The **report** cited describes research conducted in 2019 where the IRS mailed informational letters describing the availability of free assisted tax preparation methods to 55,000 households. While results were quite modest, this strategy proved to be the only one with evidence suggesting it increased Earned Income Tax Credit uptake.