

Senate Bill 624 (Caballero)

The Foster Outreach and Support for Tax Education Readiness (FOSTER) Act

[SB 624](#) was introduced by Senator Anna Caballero 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.

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

The FYTC is a refundable (“cash back”) state tax credit for current and former foster youth. Youth who meet all of the following criteria are eligible for the FYTC:

- Were between 18-25 on the last day of the tax year.
- Were in foster care on or after their 13th birthday.
- Are eligible for the CA Earned Income Tax Credit:
 - > Earned at least \$1 in the tax year, but no more than the maximum income threshold for that year.
 - > Lived in California for at least half of the tax year.
 - > Have a Social Security Number or Individual Tax Identification Number.

The creation of the FYTC was championed by Governor Gavin Newsom, Senator Anna Caballero, and former State Controller Betty Yee, established by [SB 201](#) (2022). The FYTC is the first tax credit in the nation specifically for current and former foster youth.

Is the FYTC a proven poverty reduction tool?

Yes. The FYTC was first established at \$1,023 and increases annually for inflation. 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 the FYTC, but they also benefit from other state and federal tax credits. In the 2025 tax season—the third year the FYTC was available—current and former foster youth who filed their taxes received an average total tax refund of \$1,857 if they didn’t have dependents, and \$4,008 if they had dependents. This increased their Adjusted Gross Income (AGI) by an average of 10% and 26%, and reduced poverty by 9% and 7%, respectively.

How many youth receive the FYTC?

In the 2025 tax season, 5,446 youth received the FYTC—16% of the estimated eligible population. SB 624 will increase awareness of and access to the FYTC among the 11,000+ youth still connected to county services through extended foster care or aftercare support.

What are the provisions of SB 624 (Caballero)?

SB 624 requires 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 and former foster youth to file taxes and access the FYTC. The guidance will be updated as needed and re-issued no less than every two years thereafter.

SB 624 requires 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 FYTC. The mailing will occur annually between November 1 and January 31.

What evidence suggests that SB 624 will lead to an increase in the FYTC uptake rate?

SB 624 is based on a strategy piloted in four counties (Alameda, Los Angeles, San Francisco and Santa Clara) in 2024, found to be the most impactful strategy since the FYTC was created. County child welfare agencies mailed a printed FYTC flyer to all nonminor dependents, with a QR code to connect them to local, free tax filing assistance. Three of the pilot 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 printed letter from the IRS.

When will SB 624 take effect?

SB 624 goes into effect on January 1, 2026, however its provisions—which occur during specific time periods—will roll out as follows:

- The first state guidance will be issued by July 30, 2026.
- The first county mailing will occur between November 2026 and January 2027.