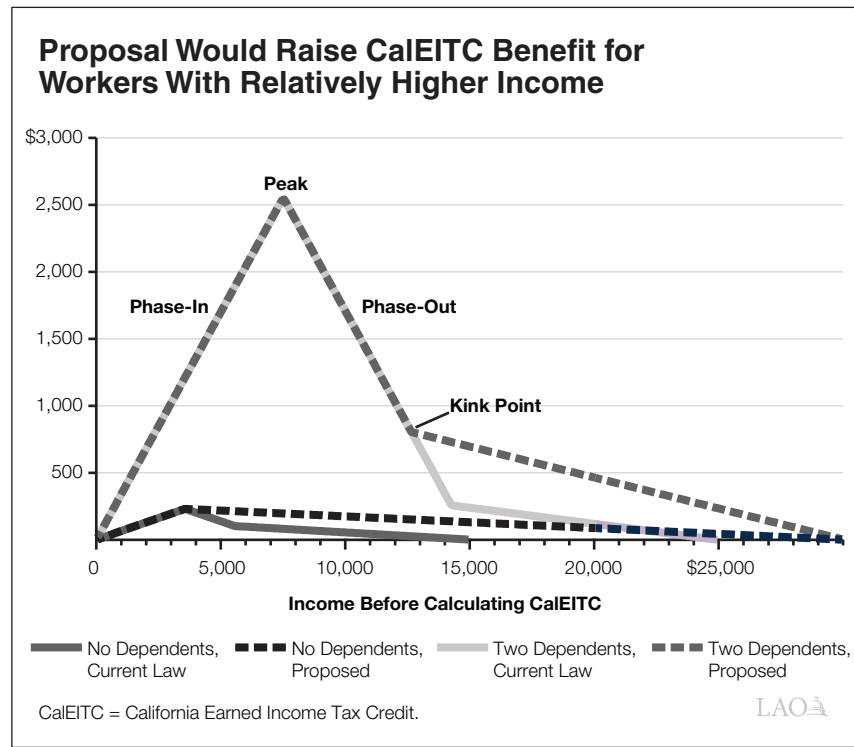




# Governor's Proposed California Earned Income Tax Credit (CalEITC) Expansion

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**Governor Proposes \$1.2 Billion EITC Expansion.** Would increase the income limit to \$30,000 for all eligible filers, increase benefits for filers with incomes starting near the “kink” point, and provide an additional \$1,000 for filers with at least one dependent under age 6.

**Governor Proposes Providing Advanced Monthly Payments.** Proposes providing monthly payments to filers with an estimated annual credit of at least \$1,200.



## Comparison of CalEITC Expansion Proposals

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	Governor	Senate	Assembly
Current cost	\$400	\$400	\$400
Cost of expansion	790	958	600
<b>Total Cost</b>	<b>\$1,190</b>	<b>\$1,358</b>	<b>\$1,000</b>

*Senate and Assembly Expanded Eligibility to Filers With Individual Tax Identification Numbers (ITINs).* The Senate and the Assembly both adopted the general framework of the expansion proposed by the Governor. However, both houses acted to expand eligibility to ITIN filers.

*Assembly Reduced the Amount for Filers With a Child Under Six.* The Assembly reduced the additional amount for filers with at least one dependent under age 6.



## CalEITC Advanced Monthly Payments

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***Senate and Assembly Request Additional Information on Advance Monthly Payments.*** Providing the credit in advance monthly payments could affect eligibility and benefits for other public benefit programs. Both houses acted to adopt budget bill language requesting more information regarding this issue prior to proceeding with the Governor's proposal. While both the Senate and Assembly requested similar reporting language, the houses took different actions with regard to moving forward with the proposal:

- Senate rejected the monthly payments proposal.
- Assembly provided \$9.3 million to the Franchise Tax Board for administration of the monthly payments *provisional* on the receipt of the report described above.