COLLEGE ACCESS TAX CREDIT FUND

WHAT IS IT?
Individuals, businesses and insurance companies contribute to a fund that bolsters financial aid for California’s low-income college students. These taxpayers get tax credits equal to 50% of their contributions.

The credit for contributions to the College Access Tax Credit Fund (“CATCF” or the “Fund”) can be used to offset state tax obligations.

A portion of these contributions from individuals, businesses and insurance companies will go to the California Student Aid Commission, which administers the state’s Cal Grant program. Cal Grants are awarded to students pursuing an undergraduate degree or vocational or career training at a qualifying California college and who have family income and assets below set minimal levels.

The tax credit is available for taxable years 2014 through 2022 and is based on a percentage of the taxpayer’s cash contribution to the Fund. A taxpayer cannot claim a deduction and a credit for the same contribution. Any unused tax credit may be carried over for six years.

CATCF DETAILS AND APPLICATION ARE AVAILABLE AT: www.treasurer.ca.gov/cefa/catc
Questions?

For assistance with the application, process, or payment of contributions, please contact CEFA through its website www.treasurer.ca.gov/cefa/catc or call (916) 654-5711.

For assistance with tax questions, please contact the California Franchise Tax Board through its website www.ftb.ca.gov or call (800) 852-5711.

EXAMPLE

Deadlines & Tax Credit Availability

CEFA will accept applications for the tax credit as follows:

2020 taxable year

Applications for the 2020 taxable year will be accepted through January 4, 2021, 5:00 p.m. (Pacific Time)

For 2020, the Fund has approximately $491 million in tax credits available.

AB 490
2017 LEGISLATION

AB 490, authored by Assemblymember Sharon Quirk-Silva, D-Orange County, extended the College Access Tax Credit through taxable year 2022. The extension will provide more opportunity to increase the Cal Grant B Access Awards for low-income California students.

Jane Doe applies for a tax credit reservation on 10/2/20. Her proposed contribution is $10,000. CEFA mails Jane a notice granting her a $5,000 tax credit reservation (50% x $10,000) on 10/2/20. CEFA also sends Jane a Contribution Submittal Form that states she must submit her contribution no later than 11/1/20. Jane makes a $10,000 contribution via Automated Clearing House to the Fund on 10/16/20. CEFA then sends Jane a $5,000 College Access Tax Credit Certification on 10/24/20.

Jane may claim a $5,000 tax credit on her 2020 California tax return for her contribution to the Fund. She also may be eligible to report a charitable contribution deduction on her 2020 federal tax return. However, she may not report the deduction on her California tax return.