

College Access Tax Credit Fund

FREQUENTLY ASKED QUESTIONS (FAQ)

Version: 2018

In the simplest terms, what is the College Access Tax Credit Fund?

Individuals, businesses, and insurance companies can make cash contributions to the College Access Tax Credit Fund (“CATCF” or the “Fund”) in exchange for a tax credit equal to 50% of their contributions.

Which statutes established the CATCF?

Senate Bill 798 (the “bills”), codified under Revenue and Taxation Code sections 17053.86 and 23686, was signed into law by the Governor on September 16, 2014 and became effective immediately as an urgency statute. Senate Bill 81 (the “bills”) was signed into law by the Governor on June 24, 2015, amended Revenue and Taxation Code sections 17053.86 and 23686 and added sections 12207, 17053.87, and 23687. The bills authorize a College Access Tax Credit (“tax credit”) for taxable years beginning on or after January 1, 2014, and before January 1, 2018, based on a percentage of the taxpayer's contribution to the Fund. Assembly Bill 490 was signed into law by the Governor on October 6, 2017 and extend the tax credits to 2022.

Who benefits from the contributions made to the CATCF?

A portion of the contributions made to the CATCF will go to the California Student Aid Commission, which administers the State’s Cal Grant Program. Cal Grants are for students pursuing an undergraduate degree or vocational or career training at a qualifying California college. Cal Grants are awarded to students with a financial need to attend the college of their choice who have family income and assets below set minimum levels.

What is the amount of the College Access Tax Credits?

The amount of the tax credit for a taxpayer is based on a percentage of the taxpayer’s contribution to the Fund as follows:

- 60% for Taxable Year 2014
- 55% for Taxable Year 2015
- 50% for Taxable Year 2016
- 50% for Taxable Years 2017 - 2022

The Authority shall allocate and certify tax credits in an amount equal to \$500 million in the 2017 -2022 calendar years.

Where can I find the application, regulations, and statute?

The application, regulations, and statute can be found on CEFA’s website at: <http://www.treasurer.ca.gov/cefa/catc/index.asp>

You may also sign up to receive automatic updates and announcements about the tax credits by going to CEFA’s website and clicking on the “Sign up to receive CEFA information” link on the left side of the screen. You may also contact CEFA staff at (916) 654-5711 or CollegeAccessTCF@treasurer.ca.gov

When is the application deadline?

The Authority will be accepting applications as follows:

- Applications for Taxable Year 2014 will be accepted from November 3, 2014 through January 2, 2015, 5:00 pm (Pacific Time).
- Applications for Taxable Year 2015 will be accepted from July 1, 2015 through January 4, 2016, 5:00 pm (Pacific Time).
- Applications for Taxable Year 2016 will be accepted from March 2, 2016 through January 3, 2017, 5:00 pm (Pacific Time).
- Applications for Taxable Year 2017 will be accepted from March 2, 2017 through November 30, 2017, 5:00 pm (Pacific Time).
- Applications for Taxable Year 2018 will be accepted from March 1, 2018 through January 2, 2019 5:00 pm (Pacific Time).
- Applications for Taxable Year 2019 will be accepted from March 1, 2019 through January 2, 2020 5:00 pm (Pacific Time).
- Applications for Taxable Year 2020 will be accepted from March 2, 2020 through January 4, 2021 5:00 pm (Pacific Time).
- Applications for Taxable Year 2021 will be accepted from March 1, 2021 through January 3, 2022 5:00 pm (Pacific Time).
- Applications for Taxable Year 2022 will be accepted from March 1, 2022 through January 3, 2023 5:00 pm (Pacific Time).

How can I submit the application?

The application must be submitted to the Authority by mail, in person, facsimile, or online.

- Hardcopy applications must be delivered by mail, in person, or facsimile to:
California Educational Facilities Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814
Attn: Operations Manager
Facsimile to (916) 653-2179
- Online applications must be submitted at <http://www.treasurer.ca.gov/cefa/catc/index.asp>

What if my application is lost in the mail or the internet fails?

The Authority is not responsible for any carrier, mail, facsimile, or website transmittal or delivery delays or failures of any kind.

Why should I provide my telephone number?

If the Authority finds an issue with any part of your application or contribution, they may contact you by telephone to resolve the issue quickly. If a taxpayer prefers to not provide a telephone number, any inquiries will be sent by U.S. Mail or the application or contribution may be rejected.

After I have submitted an application, how will I know if I will receive a College Access Tax Credit Certification and the amount of the tax credits?

If tax credits are available, the Authority will send the taxpayer a Notice of Allocation Reservation and a Contribution Submittal Form. In order to receive a College Access Tax Credit Certification, the taxpayer must submit the contribution along with the Contribution Submittal Form to the Authority. The contribution and the Contribution Submittal Form must be received by the Authority within 20 days from the date shown on the Notice of Allocation Reservation. The amount of the tax credits is a percentage of the contribution.

What happens if the Authority does not allocate and certify all of the tax credits within a calendar year?

Any unallocated and uncertified tax credits will simply go unused.

What if the Authority receives applications for tax credits greater than the amount available?

The Authority shall reserve tax credits for allocation and certification to taxpayers on a first come first served basis, as determined by the date the application was received by the Authority. If two or more applications are received by the Authority on the same day and the amount of tax credits available is insufficient to fully allocate and certify tax credits to each taxpayer, the tax credits shall be reserved for allocation and certification to those taxpayers on a pro-rata basis. Applications received by the Authority after 5:00 p.m. (Pacific Time) will be deemed to be received by the Authority on the following day.

Is there a limit to how much I can contribute to the Fund?

No. The Authority shall reserve tax credits for allocation and certification to taxpayers on a first come first served basis, up to the amount of credits available, as determined by the date the application is received by the Authority.

After my tax credit has been reserved, can I contribute an amount higher or lower than the amount shown on the Notice of Allocation Reservation and the Contribution Submittal Form?

- If the contribution amount received by the Authority is greater than the amount specified on the Notice of Allocation Reservation, the Authority may increase the amount of tax credits allocated and certified to the taxpayer at its discretion if tax credits are available. However, if tax credits are not available for the greater amount, the contribution will be returned and the taxpayer will not receive a College Access Tax Credit Certification. The taxpayer may apply again, but the application must be received by the Authority prior to the deadline.
- If the contribution amount received by the Authority is less than the amount specified on the Notice of Allocation Reservation, the Authority may decrease the amount of tax credits allocated and certified to the taxpayer. The remaining amount of tax credits may be made available to other taxpayers.

How much time will taxpayers have to submit a contribution along with the Contribution Submittal Form?

Both the contribution and the Contribution Submittal Form must be received by the Authority within 20 days from the date indicated on the Notice of Allocation Reservation.

To whom or what should the money order or cashier's check be payable?

The money order or cashier's check should be made payable to the College Access Tax Credit Fund.

What information do I need to provide to submit my contribution by the Automated Clearing House (ACH) Online Payment?

A taxpayer will need to provide their checking/savings routing number, account number, and an email address.

What happens if the contribution and the Contribution Submittal Form are not both received by the deadline?

If the Authority does not receive both the contribution and the Contribution Submittal Form by the date indicated on the Notice of Allocation Reservation, the reserved tax credits may be made available to other taxpayers.

If the Authority does not accept my contribution, when will it be returned to me?

The Authority will strive to return the contribution no later than 60 days after receipt of the Contribution.

What if I am unsure that my contribution was received?

To verify contribution receipt or for any questions relating to the College Access Tax Credit Fund, please call CEFA's College Access Tax Credit Fund phone number at (916) 654-5711.

How will the tax credit affect my taxes?

For tax-related questions, please check the California Franchise Tax Board's website at <http://www.ftb.ca.gov> or call (800) 852-5711.

When will I receive my College Access Tax Credit Certification?

The Authority will issue a College Access Tax Credit Certification to the taxpayer within 15 days after receipt by the Authority of the contribution and Contribution Submittal Form.

What is CEFA's College Access Tax Credit Fund's Privacy Notice?

A link to the privacy notice can be found at: <http://www.treasurer.ca.gov/cefa/catc/privacy.pdf>

What information will be shared with California Franchise Tax Board (FTB) or the Department of Insurance?

Information provided by the taxpayer to the Authority, including a copy of the taxpayer's College Access Tax Credit Certification and the Contribution Submittal Form, will be provided to FTB and/or the Department of Insurance.

Is this a charitable contribution that can be used towards my federal taxes?

For tax-related questions, please check the California Franchise Tax Board's website at <http://www.ftb.ca.gov> or call (800) 852-5711.

Can non California Residents make contributions if they file a California state tax return?

For tax-related questions, please check the California Franchise Tax Board's website at <http://www.ftb.ca.gov> or call (800) 852-5711.

Will the Authority provide an acknowledgement stating the date and amount of the contribution and a statement that the taxpayer received no goods or services in return for the contribution?

The College Access Tax Credit Certification will include the taxpayer's name, contribution amount, the tax credit, and a statement that the taxpayer did not receive any goods or services in return for the donation to the Fund.