



GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA ♦ OFFICE OF GOVERNOR EDMUND G. BROWN JR.



California Competes Tax Credit Application Workshop

Fiscal Year 2018-2019



Agenda

California Competes Tax Credit Program

- Program Information
- Evaluation Criteria
- Application Deadlines, Process, and Guide
- Example
- Q&A

The California Competes Tax Credit

California Competes Tax Credit

- Credit against the income tax due the Franchise Tax Board
- Non-refundable
- 6 tax year carryover

Accountability:

- Tied to achieving contractual (hiring/investment) milestones
- Recapture provisions

California Competes Tax Credit (Continued)

Credit awards are based on 12 factors:

- Number of jobs created or retained
- Compensation paid to employees
- Amount of investment
- Duration of proposed project and commitment to remain in this state
- Extent of unemployment or poverty in business area
- Extent the benefit to the state exceeds the amount of the tax credit
- Incentives available in other states
- Opportunity for future growth and expansion
- Other incentives available in California
- Overall economic impact
- Strategic importance to the state, region, or locality
- Training opportunities offered to employees

California Competes Tax Credit (Continued)

GO-Biz is also required to evaluate the extent to which the credit will influence the applicant's ability and/or willingness to create new full-time jobs in California that might not otherwise be created by the applicant or another California business

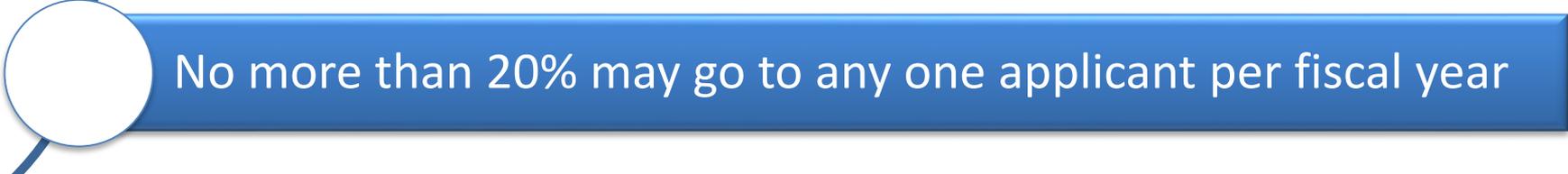
- How will this credit and – more specifically – the *amount* of credit being requested factor into the applicant's ability or willingness to expand in California?
- The Frequently Asked Questions on the GO-Biz website provide additional guidance.

California Competes Tax Credit Availability

Amount of Credits Available



\$180 million per fiscal year 2018/19 through 2022/23



No more than 20% may go to any one applicant per fiscal year

Application Periods

A total of \$219,793,004 in California Competes Tax Credit is available for allocation in the 2018-2019 fiscal year. The Director of GO-Biz sets the application periods each fiscal year:

Fiscal Year 2018-2019

July 30, 2018 – August 20, 2019

\$70 million available

January 2, 2019 – January 21, 2019

\$75 million available

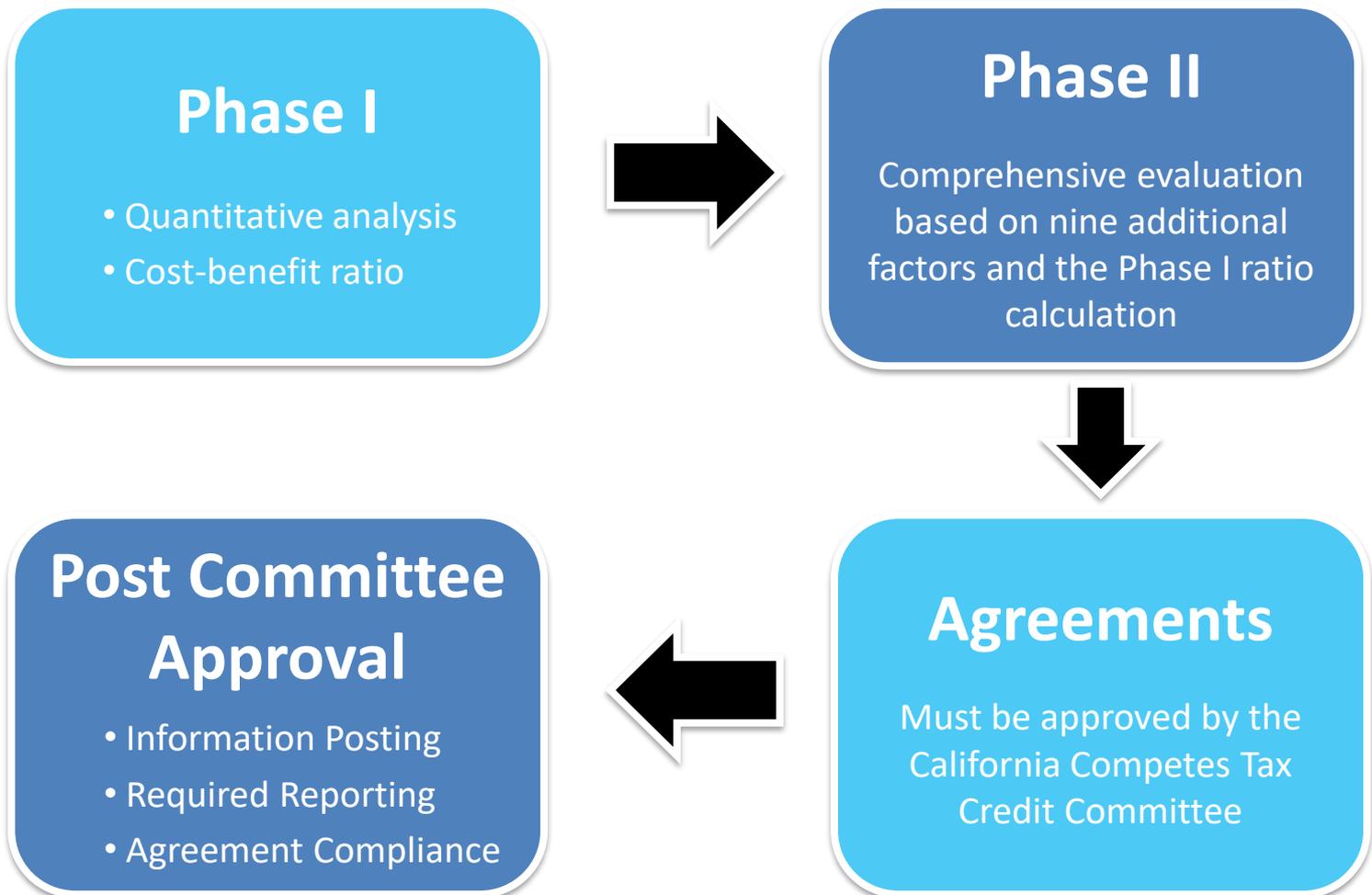
March 4, 2019 – March 25, 2019

Any unallocated remaining amounts

Application Process

- Online application submission:
<https://www.calcompetes.ca.gov>
- Notices and technical assistance:
<http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit>
- Unsuccessful applicants may resubmit applications after updating the **Employees** and **Investment** sections and **Current Tax Year**

Credit Application and Award Process



Phase I Evaluation

Cost-Benefit Ratio:

Amount of Credit Requested

Aggregate Employee
Compensation

+

Aggregate
Investment

Applications with the most advantageous cost-benefit ratio will be moved to Phase II

There will be a review of the top 200% of applicants

Exemptions to the Phase I Calculation

GO-Biz may move an application to Phase II, regardless of ratio the applicant certifies that:

- a. absent award of the credit, the applicant's project may/will occur in another state, or the applicant may/will terminate or relocate all or a portion of its employees to another state, or
- b. at least 75% of the applicant's net increase of full time employees work at least 75% of the time in an area of high unemployment or high poverty

High Poverty and Unemployment Areas

High Poverty Area

- A city and/or county within California with a poverty rate of at least 150% of the California statewide poverty rate per the most recently updated data available from the U.S. Census Bureau's American Community Survey thirty days prior to the first day of the applicable application period.

High Unemployment Area

- A city and/or county within California with an unemployment rate of at least 150% of the California statewide unemployment rate per the most recently updated data available from the California Employment Development Department thirty days prior to the first day of the applicable application period.

A list of qualifying high unemployment and high poverty areas will be posted on the California Competes [website](#) approximately 30 days prior to the close of an upcoming application period.

Phase II Evaluation

- Phase I information
- Extent of unemployment/poverty
- Economic impact
- Number of retained employees
- Opportunity for growth/expansion
- Other incentives available
- Wages/benefits
- Strategic importance
- Training opportunities offered to employees
- Other information requested

Note: Evaluated factors are in no particular order

Agreements

Terms and conditions of the agreements include:

- Minimum employee compensation and retention period
- Credit distribution period
- Recapture provisions if applicant fails to meet commitments

Tax credit agreements must be approved by California Competes Tax Credit Committee

- Committee Members: State Treasurer, Director of the Department of Finance, two legislative appointees, and the Director of GO-Biz (Chair)

Agreements

Taxpayer: Widget Manufacturing, Inc.

	2018 Tax Year (Base)	2019 Tax Year	2020 Tax Year	2021 Tax Year	2022 Tax Year	2023 Tax Year	Total
Total California Full-Time Employees ¹	48	56	78	84	88	88	
Net Increase of Full-Time Employees Compared to the Base Year		8	30	36	40	40	
Minimum Annual Wage of California Full-Time Employees Hired		\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	
Cumulative Average Annual Wage of California Full-Time Employees Hired		\$40,000	\$40,000	\$50,000	\$50,000	\$50,000	
Investments		\$0	\$10,000,000	\$7,660,000	\$0	\$0	
Tax Credit Allocation		\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$800,000

¹ Determined on an annual full-time equivalent basis

Post Committee Approval

GO-Biz is required to post information on its website for all awardees

Name	Primary Location(s)	Industry	Net Increase of Full-Time Employees	Investments	Amount of Tax Credit	Amount Recaptured
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For a list of all awardees, visit the [awardee list](#).

Oversight/Accountability

Franchise Tax Board (FTB)

- Access to application and all documentation
- Must review books/records for agreement compliance*

Material Breach

- FTB informs GO-Biz
- Committee approves or denies recapture

* Discretionary for businesses with base year gross receipts under \$2 million

California Competes Application Guide



Fiscal Year 2018-2019



Key Definitions

General Definitions

Project	The applicant's proposed business venture that will result in increased employment/investments in California
Applicant	The legal name of the business (taxpayer) that is registered with the California Secretary of State or otherwise legally authorized to do business in California.
Base Year	The applicant's taxable year immediately preceding the taxable year in which the application is submitted



Key Definitions

Employment Definitions

Full-time Employee	An individual paid wages for services in California of not less than an average of 35 hours per week (W-2 Employees)
Annual Full-time Equivalent	A method of accounting for full-time employees that worked (or will work) less than a full year during the applicant's taxable year
Aggregate Employee Compensation	A method of accounting for wages of full-time employees on an annual full-time equivalent basis for the current tax year plus four subsequent tax years
Wages	Is the amount of monetary compensation a full-time employee (whether paid by the hour or a salary) is paid by the applicant per year and does not include tips, overtime, bonuses, commissions, stock options, benefits, or other compensation of any kind. When answering the questions that request the minimum and average wages of California full-time employees to be hired, use the wages the full-time employee(s) would make in a full year of employment, without regard to the projected date of hire



Key Definitions

Investment Definitions

Investment	The amount paid for “real” and “personal” property purchased or leased after the close of the current application period, directly related to the applicant’s proposed project.
Real Property	Is any property located in this state that is attached directly to land, as well as the land itself. It includes, but is not limited to all, land, structures, firmly attached and integrated equipment, anything growing on the land, and all other “interests” in the property which may be the right to future ownership, right to occupy for a period of time, or an easement across another's property. Real property also includes capitalized costs related to new construction, reconstruction, or expansion of buildings or structures which will be used in the applicant's trade or business in connection with the project and are subject to depreciation.
Personal Property	Is property that is tangible, movable property, including, but not limited to, vehicles, movable fixtures, equipment, electronic devices, intangible property, including, but not limited to, software licenses, intellectual property acquired in connection with the project that has a quantifiable value, and other business assets which are subject to depreciation.



Documents Needed

- ✓ Payroll records for full-time employees employed by the applicant in its prior tax year

- ✓ 5 year business plan, including:
 - Projected number of new full-time employees, their job classifications, and wages
 - Projected amount of new investment

Creating an Account

Welcome to
California Competes Tax Credit



Log In

To log in, you will need a key emailed to you.

Email

Email Key

I already have a key Create an account

Go to
www.calcompetes.ca.gov
to create an account

Creating an Account (Continued)

Create an Account

Human verification

Type the text [Privacy & Terms](#)

First Name

Middle Initial

Last Name

Title

Company

Phone (Primary)

Phone (Alternate)

Email

Your email address will be used to log you into the application. To avoid delays when logging in, specify an email address that does not forward to other addresses.

Email

Reenter Email

Create Account

Login (Continued)

Subject: Cal Competes Login

(This information will expire 30 minutes after it is sent.)

Use this key to log in.

238257

Or just click on this link to log in

<https://www.calcompetes.ca.gov/Public/Auth.aspx?id=3-hClslLFtSBtjwhhMgrE9LMK5XeaLjBIEO3TZNL3hhdX8HEhib0Ux2F35HbRJAYB12sv1yXWVX493PDmeM4Y>

Creating an Application

Welcome to
California Competes Tax Credit



Start

Create a New Application



My Applications



Creating an Application (Continued)

Create Application

Applicant's Legal Business Name

Has the applicant previously been awarded a California Competes Tax Credit?

Applicant's Current Taxable Year (As of **(Select a Year)**

Accounting Period End Date **(Select an Accounting Period)**

Accounting Period End Date (If Other)

Description of Other Accounting Period End Date (Optional)

Create Application

Date will reflect the last day of each application period.

Applicant's Current Taxable Year changes depending on the last day of the application period.

The Application

Sections	
Contact Information	Not Started >
Business Information	Not Started >
Business Structure	Not Started >
Proposed Project	Not Started >
Project Locations	Not Started >
Employees	Not Started >
Investment	Not Started >
Ownership	Not Started >
Incentives and Programs	Not Started >
Litigation and Violations	Not Started >
Consultant Questions	Not Started >

Submit Options Report Phase II

Contact Information

1 Add Contact

First Name

Last Name

Email

Confirm Email

Title

Phone

Mailing Address

Contact Relationship

Other Relationship

This is the primary contact and is the person authorized to speak and negotiate on behalf of the applicant with GO-Biz.

Note: If the primary contact is not the applicant or an employee of the applicant, please add an additional contact that is the applicant or an employee of the applicant. If you want a contact to be able to edit the application, please click the "Options" button the Application Summary screen, select Application Users.

Multiple contacts can be added. The primary contact will receive communication from GO-Biz regarding the status of the application.

Business Information (Continued)

Primary Place of Business

Address Line 1

Address Line 2

City

US State

US Zip Code

Country

Non-US Territory

Non-US Postal Code

Applicant's Primary NAICS Code

Proposed Project NAICS Code

[Click here for NAICS info](#)

Visit the [NAICS Website](#) to identify primary business and proposed project classification.

Business Structure

 **Business Structure**

Entity Location

Entity Type

Other Type

Complete  **Cancel**

Business Structure (Continued)

Entity Type	<input type="text" value="US S Corporation"/>
Is the applicant publicly traded?	<input type="checkbox"/> No
Is the applicant incorporated in California or qualified with the California Secretary of State to transact intrastate business in California?	Yes <input type="checkbox"/>
State of Incorporation	<input type="text"/>
<input type="button" value="Save"/> <input type="button" value="Complete"/> <input type="button" value="Cancel"/>	

Proposed Project

Proposed Project

Please provide a description of the applicant's business and a detailed description of the proposed project. Additionally, please include an in depth explanation of how award of the credit will impact the applicant's ability and/or willingness to create new full-time jobs in California that may not otherwise be created by the applicant or any other business in California. (7000 characters max)

Please select the best description of the proposed project:

- This is a growth project for an applicant located in California.
- This is a project for an out-of-state applicant coming to California.
- This project is a relocation within California.
- This project is a California retention only project.

Will the project occur in another state if the applicant is not awarded the California Competes Tax Credit?

Will the applicant terminate all or a portion of its employees in California, or relocate all or a portion of its employees in California to another state if the applicant is not awarded the California Competes Tax Credit?

Note: Retention only projects and applicants answering "yes" or "it may" to either of the two questions above will need to submit in Phase II a declaration signed by the applicant's Chief Executive Officer, President, Chief Financial Officer or equivalent officer or representative that states "absent award of the California Competes Tax Credit, the project may occur in another state or the applicant may terminate all or a portion of its employees in California or relocate all or a portion of its employees in California to another state."

Will at least 75% of the applicant's net increase of full-time employees work at least 75% of the time in an area of high unemployment or high poverty?

Note: Click [here](#) for a list of high unemployment and high poverty areas in California.

The applicant should describe the proposed business venture, investment, or expansion in California here. The 7000 characters includes letters, numbers, spaces, and punctuations.

Proposed Project (Continued)

Is all or a portion of the applicant's proposed increase of employees or investment due to an acquisition of, or merger with, another business?	<input type="text"/>
Is all or a portion of the applicant's proposed increase of employees due to an employee leasing arrangement with another business?	<input type="text"/>
Is all or a portion of the applicant's proposed increase of employees due to a reclassification of independent contractors or conversion of employees employed by any type of temporary services provider?	<input type="text"/>
Is all or a portion of the applicant's proposed increase of employees due to a transfer of employees from any member of a "controlled group of corporations" (as defined in Revenue and Taxation Code section 23626) in which the applicant is a member?	<input type="text"/>
Does the applicant currently or plan to use a professional employer organization (PEO) as the employer of record?	<input type="text"/>
Is all or a portion of the applicant's proposed investment due to a conversion from a lease to a purchase or vice versa of real or personal property it already controls or has already acquired?	<input type="text"/>
Total Amount of California Competes Tax Credit Requested (\$)	
<input type="text"/>	
<input type="button" value="Save"/>	<input type="button" value="Complete"/> <input type="button" value="Cancel"/>

Proposed Locations

Project Location

Address Line 1

Address Line 2

City

County

State **California Only**

US Zip Code

This is the primary location

Add Project Location **Cancel** 

If the project location is unknown, the applicant can put “unknown” in the address and city lines and insert “00000” in the Zip Code.

If there is more than one location, the user should identify the location with the most increases to employment and investment as the primary location.

Employees

Note: Tax Year will be adjusted in each application period.

1. Existing number of full-time employees in California	<input type="text" value="0"/>
2. Existing number of part-time employees in California	<input type="text"/>
3. Existing number of part-time and full-time employees in the US	<input type="text"/>
4. Existing number of part-time and full-time employees worldwide	<input type="text"/>
5. Number of California full-time employees that were hired and that will be hired in the applicant's 2019 tax year	<input type="text"/>
6. Minimum annual wage of California full-time employees that were hired and that will be hired in the applicant's 2019 tax year (\$)	<input type="text"/>
7. Average annual wage of California full-time employees that were hired and that will be hired in the applicant's 2019 tax year (\$)	<input type="text"/>
8. Number of California full-time employees that will be hired in the applicant's 2019 tax year after <input type="text" value="XX/XX/XXXX"/>	<input type="text"/>

The applicant will need payroll records from the taxable year immediately before the applicant's taxable year in which the application is submitted.

Date will reflect the last day of each application period.

Investment

Investment

Investment means the amount that will be paid after the last day of the application period for qualifying real and personal property that will be purchased or leased by the applicant after the last day of the application period. Investment includes capitalized construction costs if the construction activity occurs and is paid for after the last day of the application period. For the complete definition of real and personal property, please review sections 8000(bb) and 8000(ee) of the California Competes Tax Credit regulations located [here](#).

Applicants who were previously awarded a California Competes Tax Credit must exclude any investments that were included in their approved California Competes Tax Credit Agreement.

Amount of Investment after for applicant's 2019 Tax Year

Amount of Investment for applicant's 2020 Tax Year

Amount of Investment for applicant's 2021 Tax Year

Amount of Investment for applicant's 2022 Tax Year

Amount of Investment for applicant's 2023 Tax Year

Aggregate Investment \$0

Date will reflect the last day of each application period.

Note: Tax Year will be adjusted in each application period.

Ownership

 **Ownership**

Owners (0%)

No Owners.

Owners with a share of 25% or more must be listed here.

 **Add Owner**

Complete  **Cancel**

Owner Name

Percentage (Between 25% and 100%) 

Add Owner **Cancel** 

Incentives and Programs

Incentives and Programs
<input type="checkbox"/> California Alternative Energy and Advanced Transportation Financing Authority (State Treasurer's Office)
<input type="checkbox"/> Employment Training Panel (Labor and Workforce Development Agency)
<input type="checkbox"/> Utility Economic Development Rate (Regional Utility Company)
<input type="checkbox"/> Local Programs
Local Programs - Description <input type="text"/>
<input type="checkbox"/> New Employment Credit (Franchise Tax Board)
<input type="checkbox"/> Sales and Use Tax Exemption (Department of Tax and Fee Administration)
<input type="checkbox"/> Federal Programs
Federal Programs - Description <input type="text"/>

Litigation and Violations

7 Litigation and Violations	
Is the applicant or any person or entity with a 25% or greater ownership interest in the applicant currently involved in any material litigation?	<input type="text"/>
Describe material litigation (6000 characters)	<input type="text"/>
Is there any pending or resolved California Environmental Quality Act litigation relating to the applicant's project?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant been involved in any state or federal labor law violation, citation, fine, or penalty?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant been involved in any state or federal occupational safety and health litigation, or involved in any state or federal occupational safety and health violation, citation, fine, or penalty?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant been involved in any state or federal environmental (including but not limited to air, water, and ground) litigation, or involved in any state or federal environmental (including but not limited to air, water, and ground) violation, citation, fine, or penalty?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant had any California, any other state, or federal tax lien recorded against them?	<input type="text"/>

Consultant Questions

 **Consultant Questions**

Did a consultant, attorney, tax practitioner or any other third party prepare or submit this application for a fee, or provide any services related to this application or the California Competes Tax Credit for a fee?

Description of fee arrangement:

Cost of services for consultant, attorney, tax practitioner or any other third party preparing or submitting this application, or providing any services related to any and all phases of this application or the California Competes Tax Credit: (\$)

Save **Complete**  **Cancel**

Submitting the Application

Once all of the sections have been marked complete the “submit” button will become active.

Sections	
Contact Information	Complete >
Business Information	Complete >
Business Structure	Complete >
Proposed Project	Complete >
Project Locations	Complete >
Employees	Complete >
Investment	Complete >
Ownership	Complete >
Incentives and Programs	Complete >
Litigation and Violations	Complete >
Consultant Questions	Complete >

Submit Options Report Phase II

Submitting the Application (Continued)

7 **Submit Application**

By clicking the SUBMIT button, you are certifying the information is complete and accurate and that you have the authority to file this application on behalf of the applicant. GO-Biz may request to see a power of attorney or the equivalent, but is under no obligation to conduct any due diligence or investigation to confirm that proper authority has been established. Further, by clicking the SUBMIT button, you agree that the person designated as the primary contact in the Contact Information section is the responsible representative for the applicant and GO-Biz will speak and negotiate directly with this person. Additionally, the e-mail address listed for the person designated as the primary contact in the Contact Information section is the authorized e-mail address and the owner of that e-mail address is responsible for receipt of GO-Biz communications sent to that e-mail address. GO-Biz is not responsible for any e-mail not received due to the recipient's security or anti-spam software, or any problems within the recipient's e-mail system. All information collected by GO-Biz is subject to the California Public Records Act (PRA) although certain information, such as trade secrets, financial information and other proprietary information may be exempt from a PRA request. The applicant should submit a separate cover letter to identify any information that it specifically desires to keep as confidential and GO-Biz will ensure its confidentiality to the extent permitted by law. In the event of a PRA request, GO-Biz shall notify the applicant at least five (5) business days prior to the release of such information in order to allow the applicant to seek an injunction, as applicable, unless a court order or the equivalent prevents such timely notice.

I agree to the conditions above.

If not awarded the California Competes Tax Credit, does the applicant want to be contacted by a member of the GO-Biz team to learn about other economic development incentives that may be available?

Submit Application

Confirmation Email

Subject: Your application was submitted

SUCCESS! Your California Competes Tax Credit application has been received by the Governor's Office of Business and Economic Development (GO-Biz). Please retain this e-mail for your records. Applicants that are moving onto Phase II, will be contacted by GO-Biz and further information as set forth in Title 10, Section 8030(g) of the California Code of Regulations will be requested.

Example Application

Widget Manufacturing, Inc.

- Currently has 50 full-time and 3 part-time employees
- Will hire 30 full-time hourly employees in its 2019 tax year that will be paid wages of at least \$35,000 and an average of \$40,000 on an annualized basis
- Will hire 10 salaried employees in 2021 (\$80,000)
- Will invest \$10,000,000 in 2020 and \$7,660,000 in 2021

Project Description

Please provide a description of the applicant's business and a detailed description of the proposed project. Additionally, please include an in depth explanation of how award of the credit will impact the applicant's ability and/or willingness to create new full-time jobs in California that may not otherwise be created by the applicant or any other business in California. (7000 characters max)

Widget Manufacturing, Inc. is a widget manufacturing company located in the city of Anonymous. For the last few years, Widget has experienced consistent growth over time as demand for our product increases. Our manufacturing facility is currently at capacity, and we must expand to a second location in order to meet our clients' demands.

The second facility is expected to cost \$10,000,000 to construct in 2020. There will be an additional \$7,660,000 in various manufacturing equipment, vehicles, and computer equipment. We predict the hiring of 40 employees at this location: 30 jobs will be manufacturing workers of varying classifications, and 10 jobs will be management and other executive positions.

For this expansion, Widget is exploring all of its options, including other states in the US. Our clients are located throughout the United States and we do not necessarily have to locate our second facility in California. We have completed an evaluation of options in other state and will provide the details upon request.

If given a credit of \$800,000 over the 5-year period, Widget Manufacturing is willing to commit to opening its second facility in California.

Project Description (Continued)

Is all or a portion of the applicant's proposed increase of employees due to a transfer of employees from any member of a "controlled group of corporations" (as defined in Revenue and Taxation Code section 23626) in which the applicant is a member?

No



Does the applicant currently or plan to use a professional employer organization (PEO) as the employer of record?

No



Is all or a portion of the applicant's proposed investment due to a conversion from a lease to a purchase or vice versa of real or personal property it already controls or has already acquired?

No



Total Amount of California Competes Tax Credit Requested (\$)

800,000

Complete



Cancel

Employees

1. Existing number of full-time employees in California	50
2. Existing number of part-time employees in California	3
3. Existing number of part-time and full-time employees in the US	53
4. Existing number of part-time and full-time employees worldwide	53
5. Number of California full-time employees that were hired and that will be hired in the applicant's 2019 tax year	30
6. Minimum annual wage of California full-time employees that were hired and that will be hired in the applicant's 2019 tax year (\$)	35,000
7. Average annual wage of California full-time employees that were hired and that will be hired in the applicant's 2019 tax year (\$)	40,000
8. Number of California full-time employees that will be hired in the applicant's 2019 tax year after <input type="text" value="XX/XX/XXXX"/>	8

Date will reflect the last day of each application period.

Employees (Continued)

9. Number of California full-time employees that will be hired in the applicant's 2020 tax year	0
10. Minimum annual wage of California full-time employees that will be hired in the applicant's 2020 tax year (\$)	0
11. Average annual wage of California full-time employees that will be hired in the applicant's 2020 tax year (\$)	0
12. Number of California full-time employees that will be hired in the applicant's 2021 tax year	10
13. Minimum annual wage of California full-time employees that will be hired in the applicant's 2021 tax year (\$)	80,000
14. Average annual wage of California full-time employees that will be hired in the applicant's 2021 tax year (\$)	80,000

Employees (Continued)

15. Number of California full-time employees that will be hired in the applicant's 2022 tax year

0

16. Minimum **annual** wage of California full-time employees that will be hired in the applicant's 2022 tax year (\$)

0

17. Average **annual** wage of California full-time employees that will be hired in the applicant's 2022 tax year (\$)

0

18. Number of California full-time employees that will be hired in the applicant's 2023 tax year

0

19. Minimum **annual** wage of California full-time employees that will be hired in the applicant's 2023 tax year (\$)

0

20. Average **annual** wage of California full-time employees that will be hired in the applicant's 2023 tax year (\$)

0

21. Has the applicant previously been awarded a California Competes Tax Credit?

No

Employees (Continued)

Base Year Calculation

22. Number of hourly full-time employees the applicant employed in California for 1,750 hours or more during the applicant's 2018 tax year

32

23. Number of salaried full-time employees the applicant employed in California for 50 weeks or more during the applicant's 2018 tax year

12

24. Number of hourly full-time employees the applicant employed in California for less than 1,750 hours during the applicant's 2018 tax year

7

25. Total number of hours worked by the employees in question 24

5,964

26. Number of salaried full-time employees the applicant employed in California for less than 50 weeks during the applicant's 2018 tax year

3

27. Total number of weeks worked by the employees in question 26

48

Number of full-time employees the applicant employed in the base year, determined on an annual full-time equivalent basis.

48.368

Remember part-time employees do not qualify under the annual full-time equivalent calculation

Employees (Continued)

2019 Tax Year

28. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2019 tax year

35

29. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2019 tax year

12

30. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2019 tax year

30

31. Total number of hours that will be worked by the employees in question 30

15,000

32. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2019 tax year

4

33. Total number of weeks that will be worked by the employees in question 32

46

Number of full-time employees the applicant will employ in the 2019 tax year, determined on an annual full-time equivalent basis.

56.491

Multiply the hours projected to be worked by the number of new full-time employees that will be hired mid-year

Employees (Continued)

2020 Tax Year

34. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2020 tax year

64

35. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2020 tax year

14

36. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2020 tax year

0

37. Total number of hours that will be worked by the employees in question 36

0

38. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2020 tax year

0

39. Total number of weeks that will be worked by the employees in question 38

0

Number of full-time employees the applicant will employ in the 2020 tax year, determined on an annual full-time equivalent basis.

78.000

Employees (Continued)

2021 Tax Year

40. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2021 tax year

64

41. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2021 tax year

14

42. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2021 tax year

0

43. Total number of hours that will be worked by the employees in question 42

0

44. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2021 tax year

10

45. Total number of weeks that will be worked by the employees in question 44

300

Number of full-time employees the applicant will employ in the 2021 tax year, determined on an annual full-time equivalent basis.

84.000

Employees (Continued)

2022 Tax Year

46. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2022 tax year

64

47. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2022 tax year

24

48. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2022 tax year

0

49. Total number of hours that will be worked by the employees in question 48

0

50. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2022 tax year

0

51. Total number of weeks that will be worked by the employees in question 50

0

Number of full-time employees the applicant will employ in the 2022 tax year, determined on an annual full-time equivalent basis.

88.000

Employees (Continued)

2023 Tax Year

52. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2023 tax year

64

53. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2023 tax year

24

54. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2023 tax year

0

55. Total number of hours that will be worked by the employees in question 54

0

56. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2023 tax year

0

57. Total number of weeks that will be worked by the employees in question 56

0

Number of full-time employees the applicant will employ in the 2023 tax year, determined on an annual full-time equivalent basis.

88.000

Aggregate Employee Compensation

\$7,255,017

Save

Complete



Cancel

Investment

Investment means the amount that will be paid after the last day of the application period for qualifying real and personal property that will be purchased or leased by the applicant after the last day of the application period. Investment includes capitalized construction costs if the construction activity occurs and is paid for after the last day of the application period. For the complete definition of real and personal property, please review sections 8000(bb) and 8000(ee) of the California Competes Tax Credit regulations located [here](#).

Applicants who were previously awarded a California Competes Tax Credit must exclude any investments that were included in their approved California Competes Tax Credit Agreement.

Amount of Investment after for applicant's 2019 Tax Year

0

Date will reflect the last day of each application period.

Amount of Investment for applicant's 2020 Tax Year

10,000,000

Amount of Investment for applicant's 2021 Tax Year

7,660,000

Amount of Investment for applicant's 2022 Tax Year

0

Amount of Investment for applicant's 2023 Tax Year

0

Aggregate Investment

\$17,660,000

Save

Complete

Cancel

My Application

Widget Manufacturing, Inc.

Submitted



Ratio: 0.032109150 = CR:\$800,000 / (AEC:\$7,255,017 + AI:\$17,660,000)

Cost-Benefit
Ratio Example

Historical Ratios

FISCAL YEAR	RATIO
2017-18 1st period	.0366
2017-18 2nd period	.1355
2017-18 3rd period	.0316
2018-19 1st period	.0588

This information is updated after every application period and can be found online at <http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit> under Frequently Asked Questions.

Contractual Milestones / Credit Allocation

Taxpayer: Widget Manufacturing, Inc.

	2018 Tax Year (Base)	2019 Tax Year	2020 Tax Year	2021 Tax Year	2022 Tax Year	2023 Tax Year	Total	
Total California Full-Time Employees ¹	48	56	78	84	88	88		
Net Increase of Full-Time Employees Compared to the Base Year		8	30	36	40	40		
Minimum Annual Wage of California Full-Time Employees Hired		\$35,000	\$35,000	\$35,000	\$35,000	\$35,000		
Cumulative Average Annual Wage of California Full-Time Employees Hired		\$40,000	\$40,000	\$50,000	\$50,000	\$50,000		
Investments		\$0	\$10,000,000	\$7,660,000	\$0	\$0		\$17,660,000
Tax Credit Allocation		\$160,000	\$160,000	\$160,000	\$160,000	\$160,000		\$800,000

¹ Determined on an annual full-time equivalent basis

California Competes Tax Credit

Questions?



Apply: www.calcompetes.ca.gov

Email: calcompetes@gobiz.ca.gov

Phone: (916) 322-4051

Governor's Office of Business & Economic Development
1325 J Street, Suite 1800
Sacramento, CA 95814

<http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit>