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UNFINISHED BUSINESS

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Bill No: SB 624  
Author: Caballero (D), et al.  
Amended: 8/25/25 in Assembly  
Vote: 21

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SENATE HUMAN SERVICES COMMITTEE: 5-0, 4/7/25

AYES: Arreguín, Ochoa Bogh, Becker, Limón, Pérez

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25

AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab

NO VOTE RECORDED: Dahle

SENATE FLOOR: 38-0, 5/28/25

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO VOTE RECORDED: Limón, Reyes

ASSEMBLY FLOOR: 78-0, 9/2/25 – Roll call not available.

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**SUBJECT:** Nonminor dependents: tax guidance

**SOURCE:** John Burton Advocates for Youth

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**DIGEST:** This bill requires the California Department of Social Services (CDSS) to issue guidance to counties with information about practices to support nonminor dependents with filing state and federal income tax returns and accessing the foster youth tax credit. This bill requires county welfare departments and juvenile probation departments to annually send, by mail, to every nonminor dependent, information about filing state and federal income tax returns and the foster youth tax credit.

*Assembly Amendments of 8/25/25 make technical and clarifying changes.*

**ANALYSIS:**

## Existing Law:

- 1) Provides for a refundable California Earned Income Tax Credit (EITC) based on the federal EITC amount. (Revenue & Taxation Code 17052)
- 2) Creates a Foster Youth Tax Credit of up to \$1,000 per individual against the personal income tax as specified:
  - a) Eligible individuals:
    - i) Were in foster care placement, as specified in the bill, while 13 years of age or older;
    - ii) Is between the ages of 18 to 25
    - iii) Is eligible to claim the EITC in the taxable year of the credit.
  - b) Total credit amount is indexed to inflation.
  - c) Commences in the taxable year starting January 1, 2022.
  - d) Provides allowances for the confidential sharing of data between CDSS Services and the Franchise Tax Board for purposes of verifying eligibility.
  - e) Specifies that the tax credit is not considered income for the purposes of receiving state or local benefits. (Revenue & Taxation Code 17052.2)

## This Bill:

- 1) Creates the Foster Outreach and Support for Tax Education Readiness (FOSTER) Act.
- 2) Requires CDSS, no later than July 30, 2026, to issue guidance to county welfare departments and juvenile probation departments with information about practices for supporting nonminor dependents in filing state and federal income tax returns and accessing the foster youth tax credit.
- 3) Provides that this guidance shall be updated as needed and reissued no less than every two years thereafter and shall include, but not be limited to, all of the

following:

- a) The eligibility requirements for the foster youth tax credit and the maximum foster youth tax credit.
  - b) An advisement of the county responsibilities to mail nonminor dependents information about filing income tax returns and the foster youth tax credit.
  - c) Outreach strategies to increase awareness among nonminor dependents and former foster youth about the foster youth tax credit.
  - d) Resources from the Internal Revenue Service internet website for identifying local Volunteer Income Tax Assistance providers.
  - e) Any promising strategies developed by individual counties to communicate with the eligible population about resources available to assist them with tax filing, including county-hosted workshops for foster youth to educate and assist them with filing their taxes, in partnership with a local Volunteer Income Tax Assistance internet website by the Internal Revenue Service or community-based organizations.
  - f) Identification of resources available through nonprofit organizations for improving knowledge about the foster youth tax credit.
  - g) Identification of resources available through other state agencies to aid with communication or disseminating this information.
- 4) Provides that the county welfare department and juvenile probation department shall annually send by mail to every nonminor dependent information about filing state and federal income tax returns and the foster youth tax credit, and that this mailing shall occur between November 1 and January 31, inclusive, of each year.
- 5) Provides that the mailing shall include, but not be limited to, all of the following information:
- a) Eligibility requirements for the foster youth tax credit.
  - b) The maximum amount of the foster youth tax credit for the forthcoming tax season.

- c) An advisement that the nonminor dependent may be eligible for other tax credits, including, but not limited to, state and federal earned income tax credits, the federal Child Tax Credit and state Young Child Tax Credit, the federal Child and Dependent Care Credit and state Child and Dependent Care Expenses Credit, the federal American Opportunity Tax Credit, the federal Lifetime Learning Credit, and the state Renters' Credit.
- d) The location of and how to set up an appointment with or otherwise receive services from local Volunteer Income Tax Assistance internet websites certified by the Internal Revenue Service within the county where the nonminor dependent resides, or, if none are available, those located in nearby counties.
- e) Resources to assist the nonminor dependent with self-filing federal and state tax returns at no cost.

## Comments

*According to the author.* “Senate Bill 624 addresses the significant gap in access to the Foster Youth Tax Credit and will require standardized outreach efforts from county child welfare agencies in order to ensure eligible foster youth are informed and supported in filing their taxes. This bill tackles the primary barriers—tax-filing knowledge, and access to free assistance—by mandating county level engagement, educational workshops, and direct resource distribution. Through the implementation of these measures, SB 624 will help reduce poverty among foster youth, increase financial stability, and ensure they receive the critical support they rightfully deserve.”

*Earned Income Tax Credits (EITC)* Tax credits help to reduce the amount of tax you may owe. Frequently this is done through a dollar-for-dollar amount that is claimed to reduce the income tax owed. There are both federal and state tax credits for which filers may be eligible. Tax credits may also be available to those who do not make enough money to be required to file taxes.

At the federal level, the EITC is for low to moderate income individuals and households. The tax credit is structured so that a person or family may be eligible for a credit, and thus money from the government, even if their income is not so high as to require them to file. In 2015, the Legislature enacted a California EITC (SB 80, (Committee on Budget and Fiscal Review, Chapter 21, Statutes of 2015)). The California EITC (CalEITC) is a refundable personal income tax credit allowed to eligible individuals determined in accordance with the federal EITC, except as

modified for California. The amount of EITC allowed is dependent upon filing status of the eligible individual, how many qualifying children the eligible individual has, and how much earned income the eligible individual claims.

*Foster Youth Tax Credit (FTYC).* In 2022, the Legislature enacted SB 201 (Committee on Budget) to create the FTYC. This credit provides up to \$1,083 per eligible individual. To qualify for this credit, current and former foster youth must meet all of the following requirements:

- Qualify for the CalEITC – which requires earnings between \$1 and \$31,950;
- Were between the ages of 18 and 25 at the end of the taxable year;
- Were in California foster care at age 13 or older and placed through the California foster care system; and
- Satisfy the foster care verification requirement.

This tax credit can be a powerful tool against poverty. When current and former foster youth file taxes they often find they are also eligible for other state and federal tax credits. One report found<sup>1</sup> that in 2024 FYTC filers received \$1,370 for single filers and \$5,265 for head of household filers. Nonprofit organizations that assisted 619 current and former foster youth for the 2024 tax season found that these tax credits can help to increase their Adjusted Gross Income by 8% for single filers and 57% for head of household filers. Despite the clear benefits these tax credits can have, the uptake of the FYTC in 2024 was only 15%. Data suggests there are conservatively over 36,000 foster youth who could be eligible for the FYTC. With an uptake of only 15%, this means there are potentially over 30,000 current and former foster youth eligible for tax credits and not receiving them.

The John Burton Advocates for Youth (JBAY) published a report in 2024 entitled “Gaining Momentum: How Foster Youth Tax Credit Performed in 2024.”<sup>2</sup> This report outlines the California Foster Youth Tax Project and their findings. JBAY employed multiple strategies to increase utilization of the FYTC including:

- Volunteer Income Tax Assistance (VITA) Sites – grants were provided to four community based organizations to operate VITA sites for current and former foster youth. These four VITA sites completed 619 tax returns for foster youth in 2024, an increase of 5% from the prior year.

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<sup>1</sup> <https://jbay.org/resources/fytc-report-2024/>

<sup>2</sup> <https://jbay.org/resources/fytc-report-2024/>

- Statewide Outreach – JBAY worked with partners on statewide marketing and outreach, including the development of a comprehensive self-filing training
- Self-Filing Events – JBAY partnered with seven community based groups that held 13 self-filing events that assisted an estimated 151 current and former foster youth
- California Foster Youth Tax Credit Challenge – this was a statewide competition to reach the highest rate of FTYC receipt. County representatives were trained on the basics of tax filing and how to help youth obtain the necessary documents needed for filing. Sutter County had the highest rate of receipt of the FTYC for the small county category with 46%, Kern had the highest rate for medium counties with 22%, and Sacramento had the highest rate in the large county category with 19%.

The results of this outreach was a 17% increase in the number of youth claiming the FYTC, with a total of 5,587, but this only represents about 15% of the total eligible population. This bill seeks to increase the number of youth who claim the FYTC by having information about filing taxes and the FYTC sent directly to the youth.

### **Related/Prior Legislation**

AB 1002 (Irwin, 2023) This bill would have authorized, for taxable years beginning on or after January 1, 2026, a method for taxpayers to claim the CalEITC, the Young Child Tax Credit (YCTC), and the FYTC without filing a tax return. This bill was vetoed by the Governor.

AB 2191 (Santiago, 2024) This bill would have required the Franchise Tax Board to allocate grants to nonprofit community-based organizations or local government agencies to provide free tax preparation services and outreach regarding the availability of various tax credits. This bill was held in the Assembly Appropriations Committee.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Assembly Appropriations Committee Analysis:

CDSS estimates annual General Fund costs of \$34,000 in fiscal year 2025-26 and ongoing for county administrative workload statewide. These costs include an estimated \$26,000 for research and mailer distribution, and an estimated \$8,000 for

postage materials. Although these county costs are state-mandated costs, they are not reimbursable, but instead must be funded by the state pursuant to Proposition 30 (2012). Proposition 30 requires, to the extent a bill increases county costs already borne by a local agency for programs or levels of service mandated by the 2011 Realignment, the bill to apply to local agencies only to the extent the state provides annual funding for the cost increase.

**SUPPORT:** (Verified 9/2/25)

John Burton Advocates for Youth (sponsor)

Alliance for Children's Rights

Asian Americans Advancing Justice – Southern California

Aspiranet

Bill Wilson Center

California Alliance of Caregivers

California Alliance of Child and Family Services

California Court Appointed Special Advocate Association

Children's Advocacy Institute

Children Now

Creative Alternatives

Ea Family Services

Economic Security California Action

Edgewood Center for Children and Families

Everychild Foundation

First Place for Youth

Fred Finch Youth and Family Services

Glenn County Office of Education - Foster Youth Services

Golden State Opportunity

Just in Time for Foster Youth

Marin County Office of Education

Napa Valley College

National Center for Youth Law

New Alternatives

Norco College

Power to Soar

Prosper California Coalition

Public Counsel - Tay

Redwood Community Action Agency - Youth Services Bureau

Safe Place for Youth

San Bernardino Valley College

Santa Cruz County Office of Education

Students Rising Above  
The Community College Foundation  
Walden Family Services

**OPPOSITION:** (Verified 9/2/25)

None received

Prepared by: Heather Hopkins / HUMAN S. / (916) 651-1524  
9/3/25 18:38:16

\*\*\*\* **END** \*\*\*\*