

Major Actions on Tax Provisions

<i>Total Change in General Fund Revenue in 2018-19 (Dollars in Millions)</i>			
Issue	Senate	Assembly	Description
Child Care Credit	—	-\$26.00	The state Child and Dependent Care Expenses Credit is based on a percentage of out-of-pocket child care expenses for families earning less than \$100,000. The credit is not currently refundable. The Assembly adopted language to make the credit refundable.
Renter's Credit	-\$44.00	—	The Renter's Credit—\$60 for single filers, \$120 for joint filers—may be claimed by taxpayers who rent their principal residence. The Senate adopted language to increase the amount of the credit and to adjust the credit annually for inflation. (New credit would be \$178 for filers with one or more dependents.)
California Hiring Credit	-14.00	—	The Senate adopted language—based on the Governor's proposal—that would create a new credit for employers that hire individuals facing barriers to employment. The Assembly rejected the administration's proposal and adopted language to extend the existing credit for five years.
Earned Income Tax Credit (EITC)	-60.00	-104.00	The state EITC helps low-income working households. Both houses expanded the EITC to certain taxpayers who were previously ineligible due to their age and adjusted the credit to compensate for a rising minimum wage. The Assembly adopted language that would further expand the EITC to cover low-income working immigrant families, who are currently ineligible.
COIN Program	-1.20	—	The California Organized Investment Network (COIN), which allocates tax credits to investors in community development financial institutions, sunset on January 1, 2017. The Senate adopted language to reinstate COIN.
Teacher Tax Deduction	-0.10	—	Many teachers pay out-of-pocket costs for professional education induction programs. The Senate approved language that would allow teachers to claim a tax deduction for these costs.
Tribal Income Exemption	-1.10	—	Members of a federally recognized Native American tribe who reside on their tribe's land are exempt from state income tax on earnings from that specific tribe. However, they are not exempt from state income tax on income they earn within any other tribal lands in California. The Senate adopted language to exempt these earnings from state income tax.
State Wildlife Area Payments In Lieu of Taxes	—	—	When the state acquires private property for state controlled wildlife management areas, the state is not required to offset the loss of county property tax revenue. The Senate adopted language to make these offsets mandatory in such cases.