



December 15, 2023

Ms. Erika Contreras  
Secretary of the Senate  
State Capitol, Room 3044  
Sacramento, CA 95814

Dear Ms. Contreras:

The small business hiring credits provided in Sections 6902.9, 17053.71, and 23628 of the Revenue and Taxation Code are intended to provide financial relief for the economic disruptions resulting from the COVID-19 pandemic. In accordance with Section 23 of Assembly Bill 150 (Stats. 2021, Ch. 82), the information below is provided to measure whether the small business hiring credits are achieving their purpose.

- (1) The number of applications received for tentative credit reservations totaled 4,930. Applicants could elect to apply their credits against either an income tax or a sales and use tax liability. A total of 1,975 applicants elected to apply the credits against an income tax liability and 2,955 applicants elected to apply their credits against a sales and use tax liability.
- (2) The net increase in the number of qualified employees represented on applications for tentative credit reservations totaled 26,752.
- (3) For sales and use tax returns filed from April 2022 through October 2023, the average credit amount claimed was \$5,042. The average is based on the number of accounts that claimed the credit on their returns and the total credits claimed. The Franchise Tax Board will provide information regarding the average credit amount applied against income tax liability in a separate report.

If you have any questions regarding this information, please contact me at (916) 309-8300.

Sincerely,

Nicolas Maduros  
Director

NM:dls

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Ms. Cara Jenkins, Legislative Counsel  
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Mr. Steven Mercer (MIC 25)  
Ms. Aimee Olhiser (MIC 92)  
Mr. Jamie Mason (MIC 92)  
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