

California's Homeless Hiring Tax Credit

California's governor signed Assembly Bill 150 establishing the Homeless Hiring Tax Credit (HHTC). The credit is available for taxable years from **January 1, 2022 to December 31, 2026**.

Employers may receive \$2,500 to \$10,000 in tax credit per eligible employee based on the actual hours worked in the taxable year. Employers may claim **up to \$30,000 of credit per taxable year**.

- **Eligible Employers:** Employers in the State of California that pay 120% of the state minimum wage.
 - Minimum wage for employers with 25 or less employees is \$14 per hour.
120% = \$17 per hour.
 - Minimum wage for employers with 26 or more employees is \$15 per hour.
120% = \$18 per hour.
- **Eligible Employees:** Have experienced homelessness in the past and are currently working with a state recognized Homeless Service Provider. Chrysalis is one of the recognized Homeless Services Providers.

Potential Credits

Actual hours worked (in the taxable year)	Credit amount
0 – 499	\$0
500 – 999	\$2,500
1000 – 1499	\$5,000
1500 – 1999	\$7,500
2000 or more	\$10,000

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Employer Steps to Obtain Credits

1. As with any new hire, file a [Report of New Employee\(s\)](#) (DE 34).
2. [Obtain an HHTC certificate](#) (FTB 5020) for each eligible employee from a certifying organization. The employer is responsible for retaining this document. A copy of this document must be provided to the Franchise Tax Board upon request. This certificate expires 1 year after issuance.
 - o Chrysalis is a certifying organization and will provide the certificate (FTB 5020) to an employer for an employee (a Chrysalis client) upon request.
 - o A Chrysalis Business Development Representative is the point of contact and signatory for this form. Contact information is included at the end of this informational document.
3. Within 30 days of completing your *Report of New Employee(s)* (DE 34) requirements, complete the [HHTC reservation online](#).

To complete the HHTC reservation, the following information will be needed:

Employer Information	Employee Information
Type of entity (corporation, partnership, individual, etc.)	Employee's name
Name of business	Social security number
Business ID (California Corporation number, Federal Employer Identification Number, social security number, etc.)	Date of hire
Address of business	Date the employer completed EDD New Hire Reporting requirements
Business contact name and phone number	Hours the employee is expected to work for the next 12 months
Paid preparer information (Preparer name and Preparer ID)	Starting hourly wages
	Information from the HHTC Certificate <ul style="list-style-type: none"> • Name and address of certifying organization • Eligible employee requirements • Date certificate was issued

4. The employer is responsible for retaining all documentation submitted. **The Franchise Tax Board will be releasing a final tax form to be completed in 2023.** This form has not been released at the time this document was prepared.

How to obtain a HHTC certificate from Chrysalis

A Chrysalis Business Development Representative will be happy to walk you through the process of obtaining the tax credits. Please reach out to discuss this program!

Phone: **(213) 806-6362**

Email: Hire@ChangeLives.org