



Millions of Californians with Low Incomes Can Benefit from State Tax Credits

APRIL 2022 | BY SARA KIMBERLIN

All Californians, regardless of their county, race, age, or immigration status, should have the support they need to make ends meet and pay for basic necessities. State refundable tax credits — the CalEITC and Young Child Tax Credit — are a key way the state provides economic support to Californians with low incomes. Racism, sexism, socioeconomic discrimination, and inequitable policies have kept millions of Californians in poverty. But research shows refundable tax credits help families and individuals avoid poverty and food hardship, have better health, and experience improved educational achievement and economic security.

California's refundable credits are specifically targeted to families and individuals with the lowest incomes and available to people who file taxes without regard to immigration status. These credits reach people with earnings from \$1 to \$30,000 — equivalent to a full-time, minimum-wage salary. Proposals by the governor and Legislature would make children and families without income from employment also eligible to benefit from the state's child tax credit.

Across all regions of California, millions of children, parents, and working adults are eligible to claim the CalEITC and the Young Child Tax Credit by filing their taxes. State and local leaders can do several things to make sure tax credits deliver the support these Californians need to meet their basic needs and thrive:

- **Boosting the size of these credits.** For families and for adults without children this is an effective and efficient way to direct flexible resources to Californians who most need support to make ends meet.
- **Piggybacking on the CalEITC and Young Child Tax Credit when targeting one-time taxpayer rebates or relief payments.** By automatically issuing payments to filers who claim state credits, support can be directed to Californians with low incomes while leveraging existing administrative infrastructure and minimizing red tape for people receiving support.
- **Expanding the availability of free tax preparation and filing services.** This can help ensure that the full benefit of credits goes to families and individuals, and is not reduced by for-profit tax preparation fees.

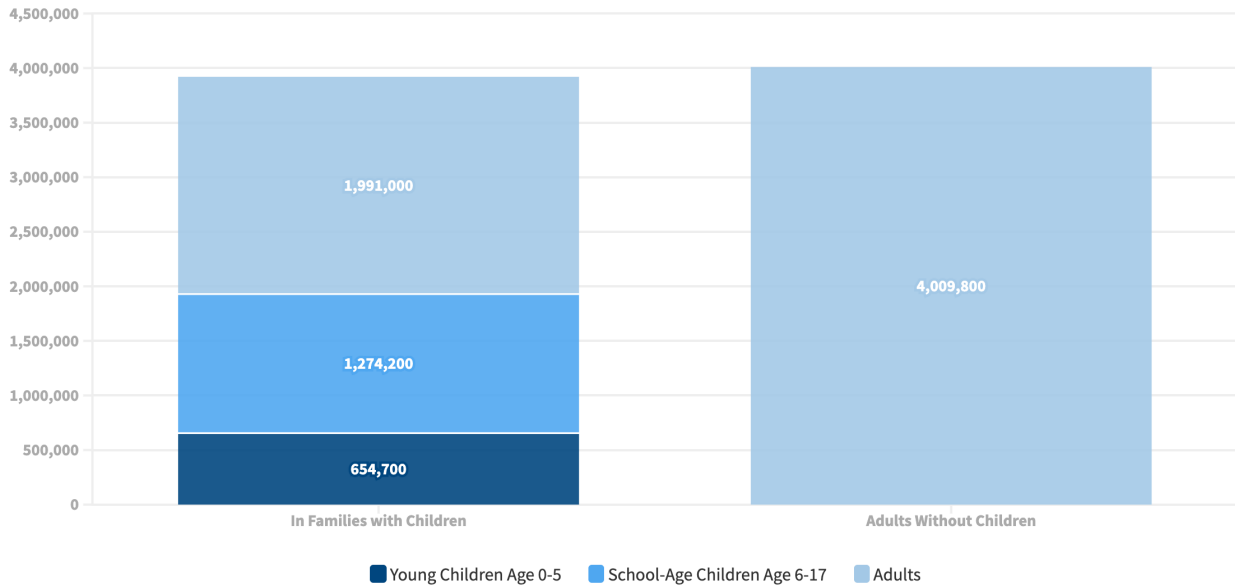
How many children, parents, and adult individuals are eligible to benefit from California's refundable tax credits? Estimates for each of California's regions and counties are included in this report.¹ By understanding how many Californians in every county can benefit from these important credits, policymakers and community leaders can invest in proven policies that build on tax credits as tools to help Californians make ends meet and thrive in their communities.

¹ Estimates are based on simulation of income taxes in public-use microdata from the US Census Bureau, American Community Survey, downloaded from IPUMS USA (University of Minnesota, www.ipums.org), using a tax simulation model developed for the California Poverty Measure, a joint project of the Stanford Center on Poverty & Inequality and the Public Policy Institute of California. Population and income data reflect 2018 and 2019, with CalEITC and Young Child Tax Credit eligibility based on 2019 credit parameters (adjusted for inflation as needed), adding filers who use Individual Taxpayer Identification Numbers (ITINs) to reflect the eligibility expansion implemented in 2020. Note that credit parameters for tax year 2021 are identical to tax year 2019 other than adjustment for inflation for CalEITC. Filers with no earnings who would become eligible for the Young Child Tax Credit under the governor's and Legislature's proposals are not included in these estimates.

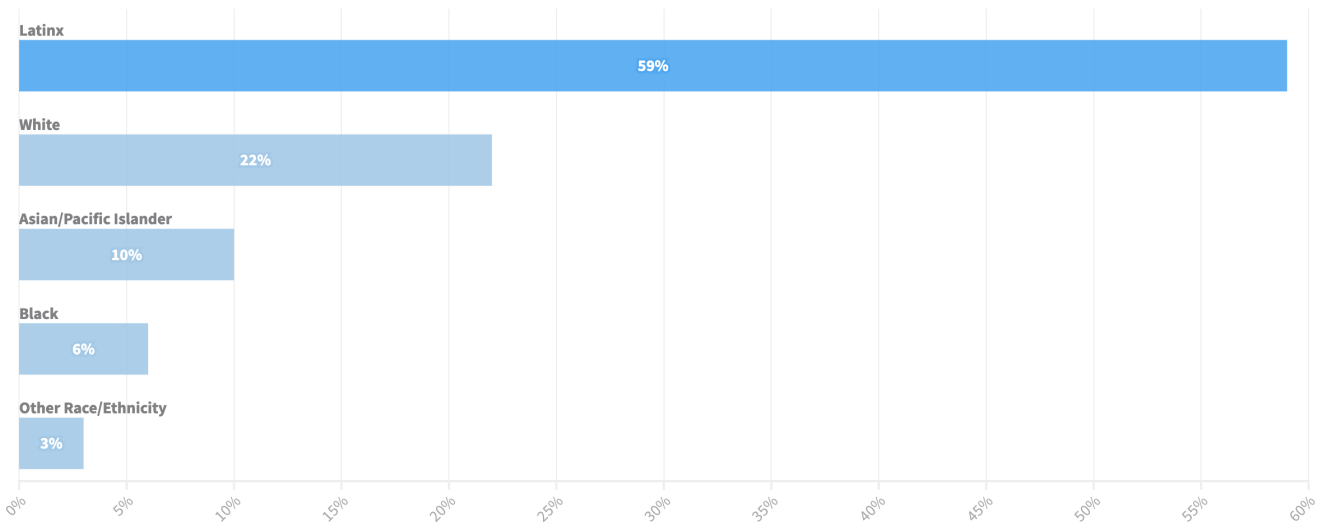


STATEWIDE

Statewide, Nearly 8 Million People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit



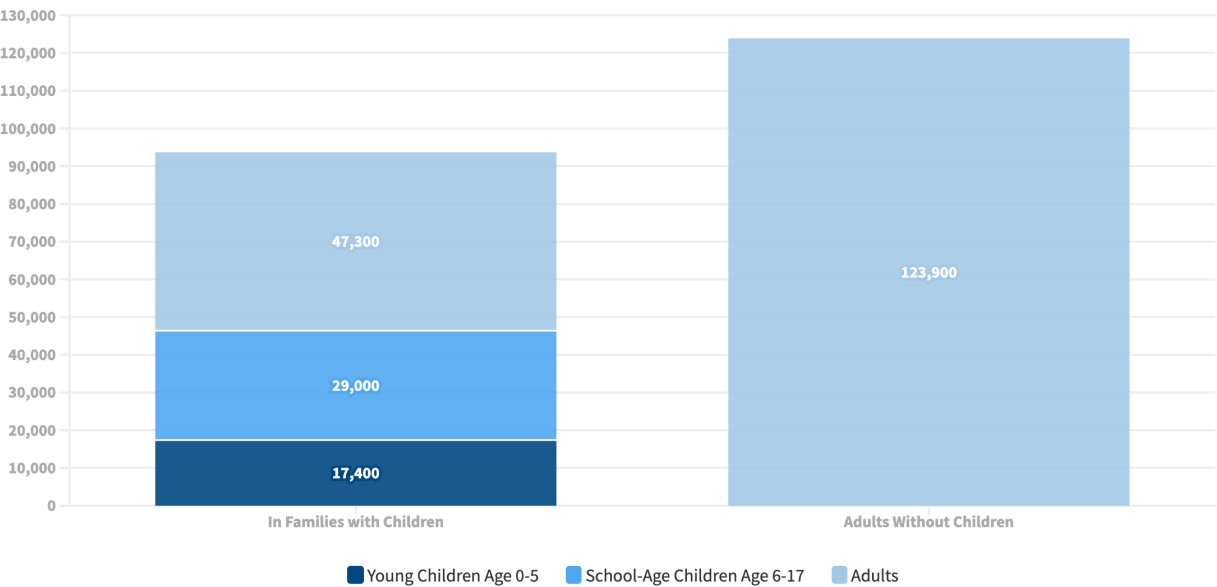
Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities Percentage of Eligible People Statewide



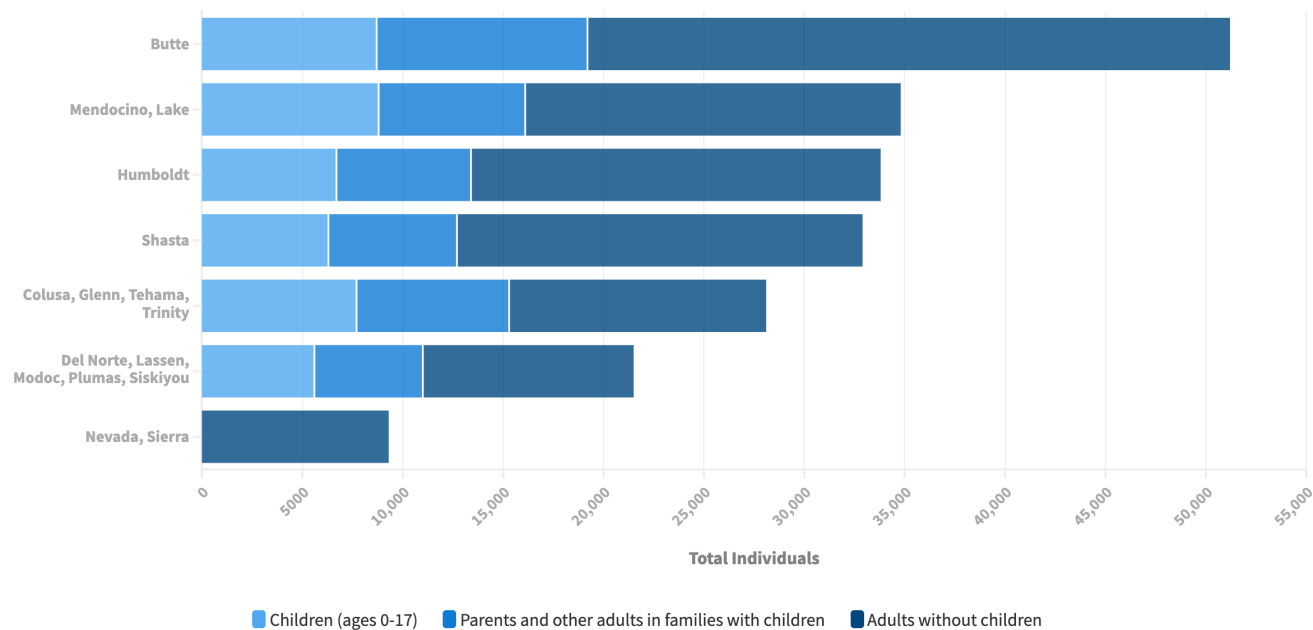


REGIONWIDE

In the Far North, More Than 200,000 People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit



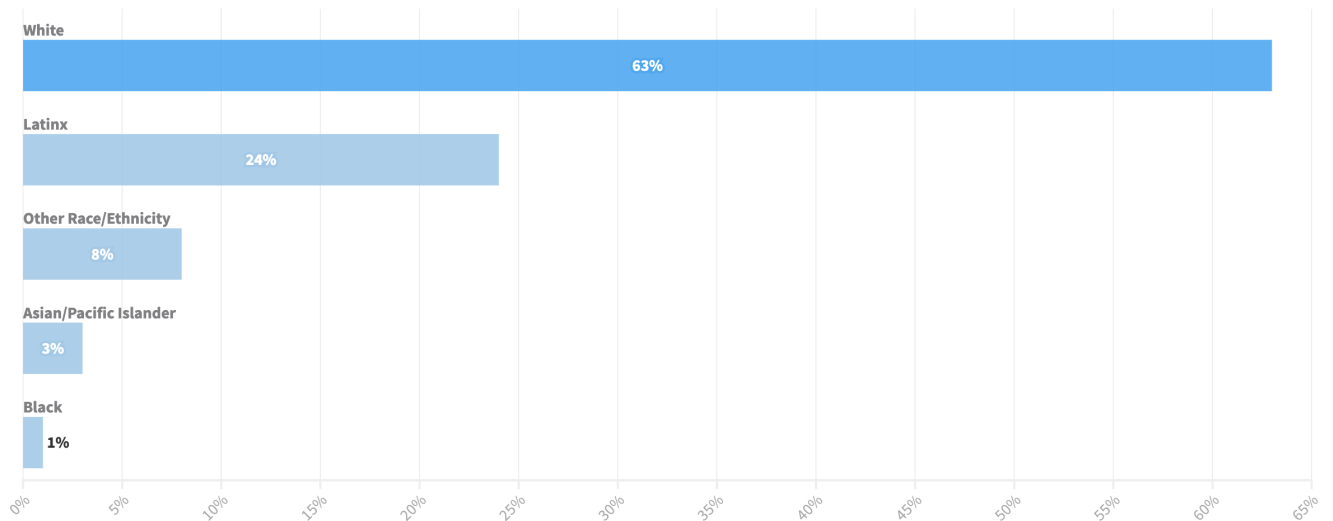
Californians in all Counties Can Benefit from State Refundable Tax Credits
Number Eligible to Benefit in the Far North



Note: Nevada, Sierra "Children (ages 0-17)", and "Parents and other adults in Families with Children" sample size too small for reliable estimate.

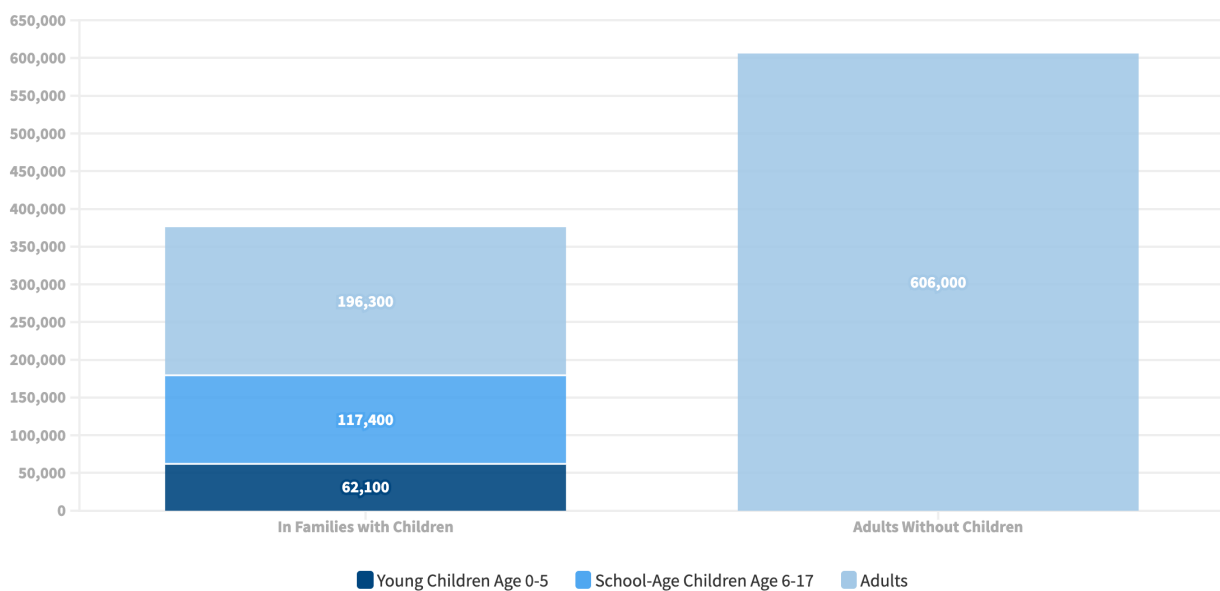
* For estimated numbers of individuals eligible to benefit in each age category by county, see the county data tables in the appendix.

Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities Percentage of Eligible People in the Far North



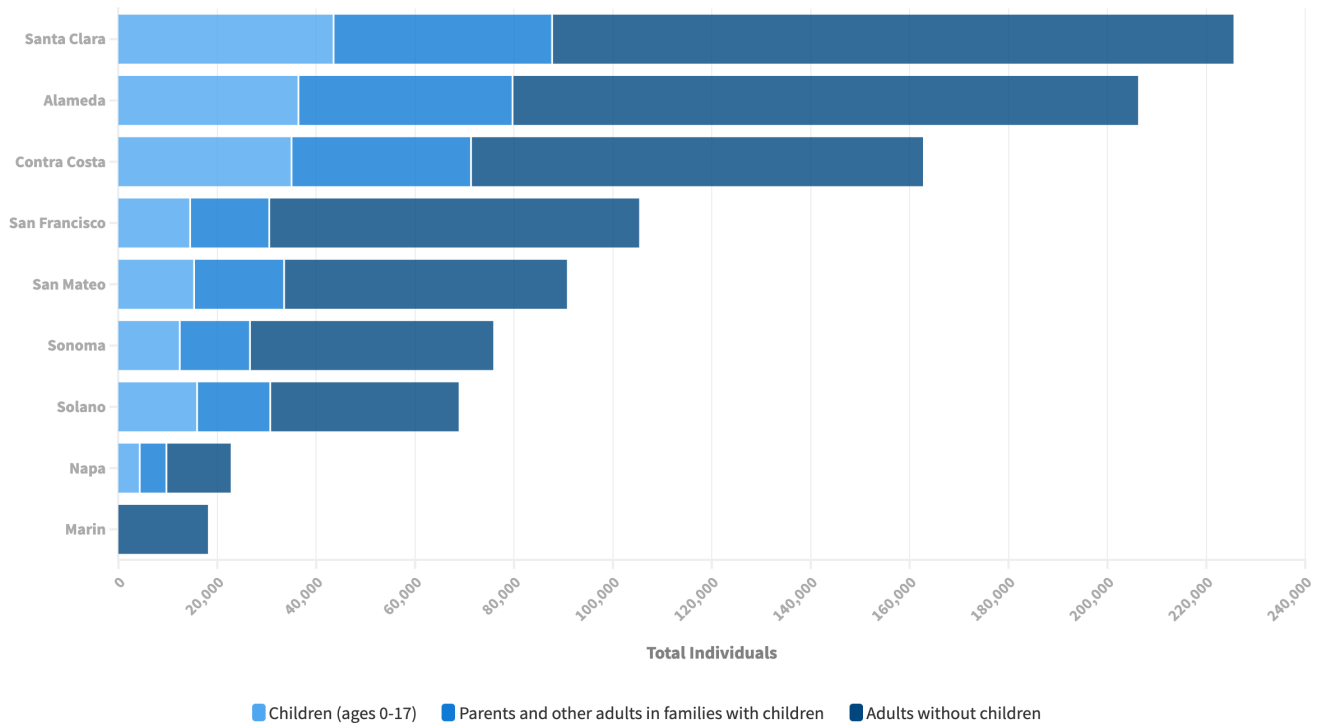
SAN FRANCISCO BAY AREA

In the San Francisco Bay Area, More Than 900,000 People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit



Californians in all Counties Can Benefit from State Refundable Tax Credits

Number Eligible to Benefit in the San Francisco Bay Area

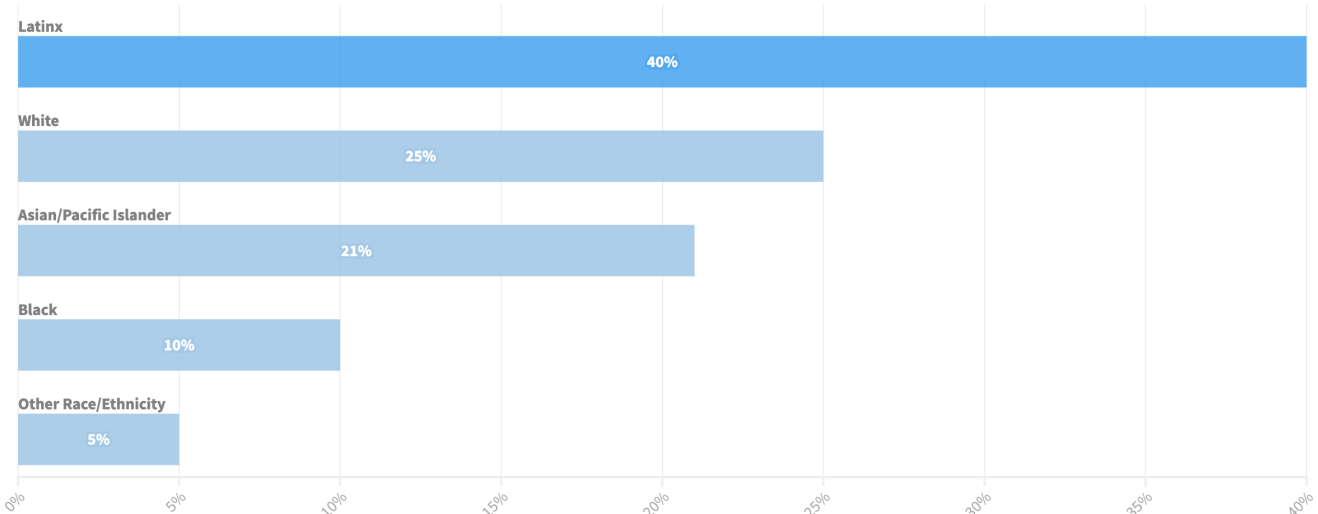


Note: Marin "Children (ages 0-17)", and "Parents and other adults in Families with Children" sample size too small for reliable estimate.

* For estimated numbers of individuals eligible to benefit in each age category by county, see the county data tables in the appendix.

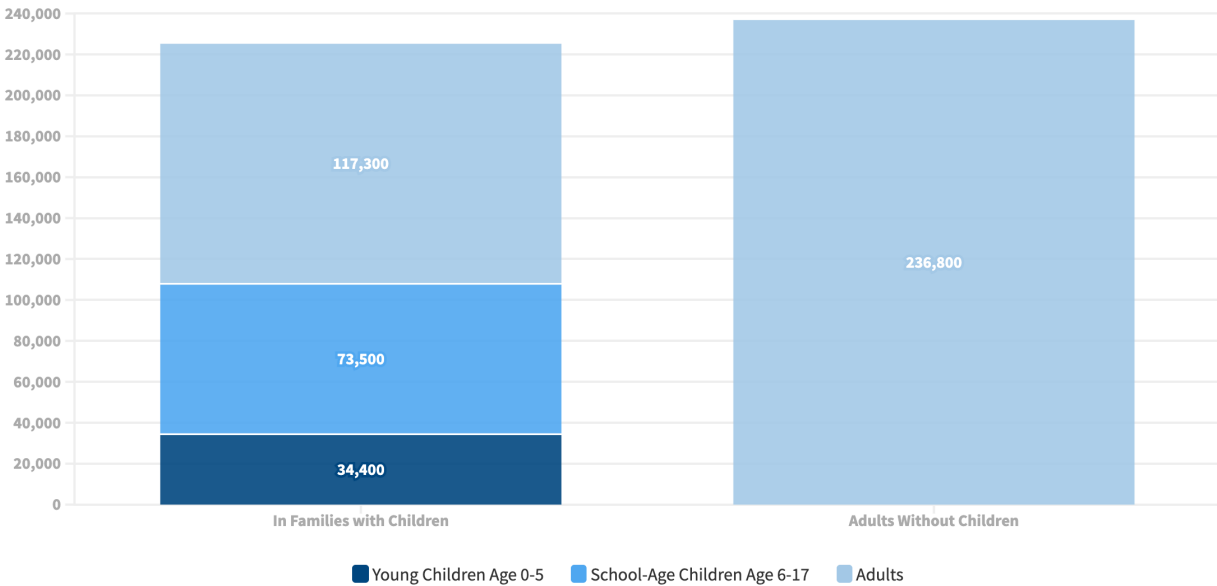
Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities

Percentage of Eligible People in the San Francisco Bay Area

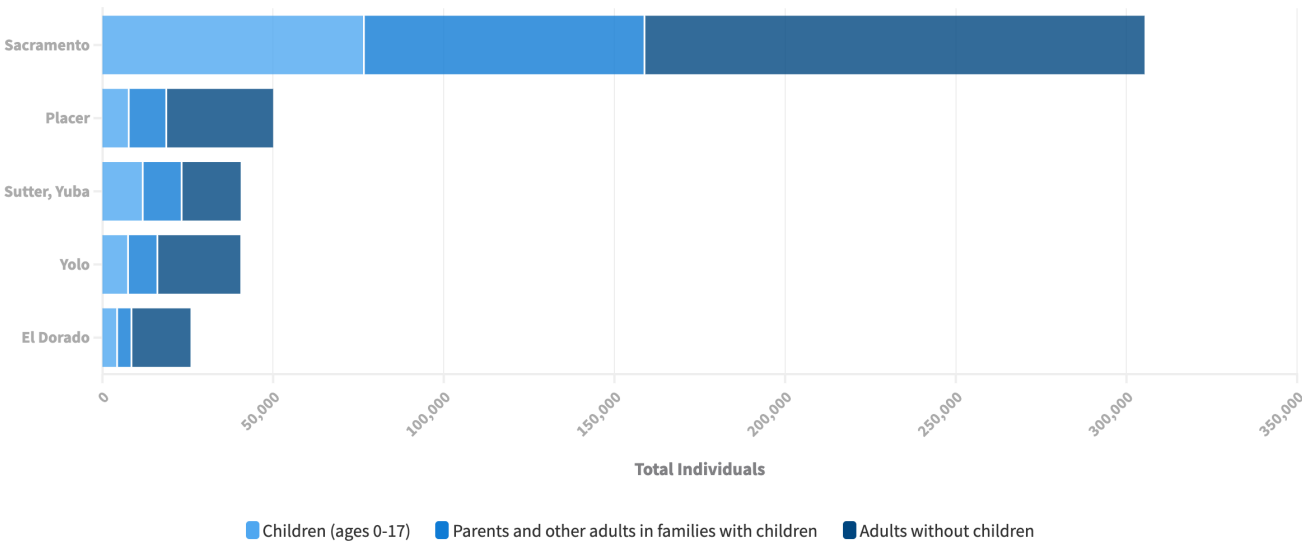


SACRAMENTO REGION

In the Sacramento Region, More Than 400,000 People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit



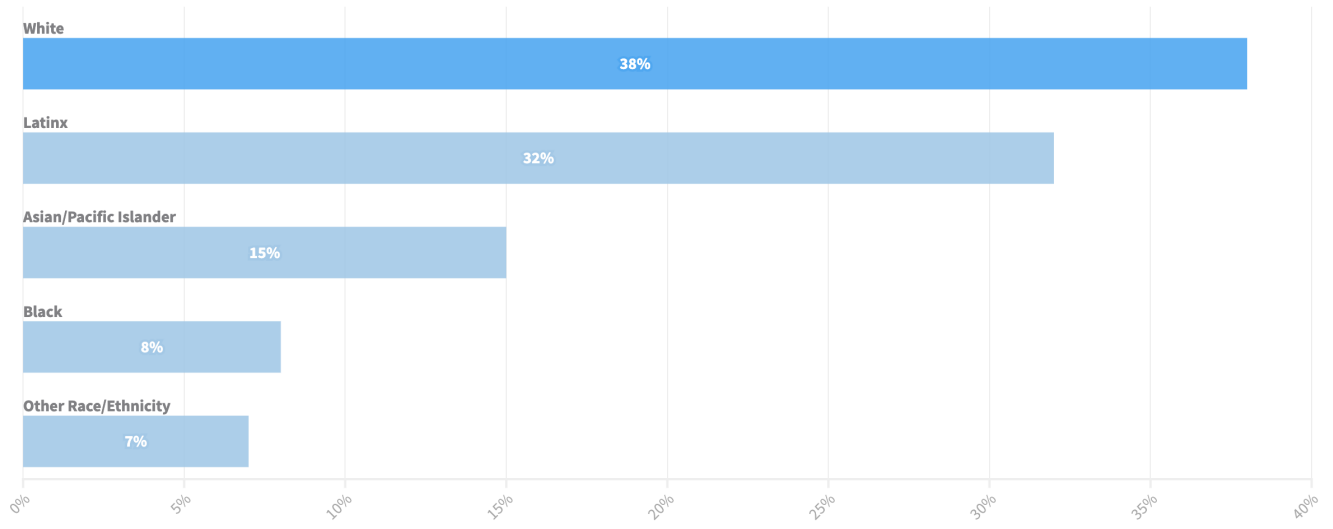
Californians in all Counties Can Benefit from State Refundable Tax Credits Number Eligible to Benefit in the Sacramento Region



* For estimated numbers of individuals eligible to benefit in each age category by county, see the county data tables in the appendix.

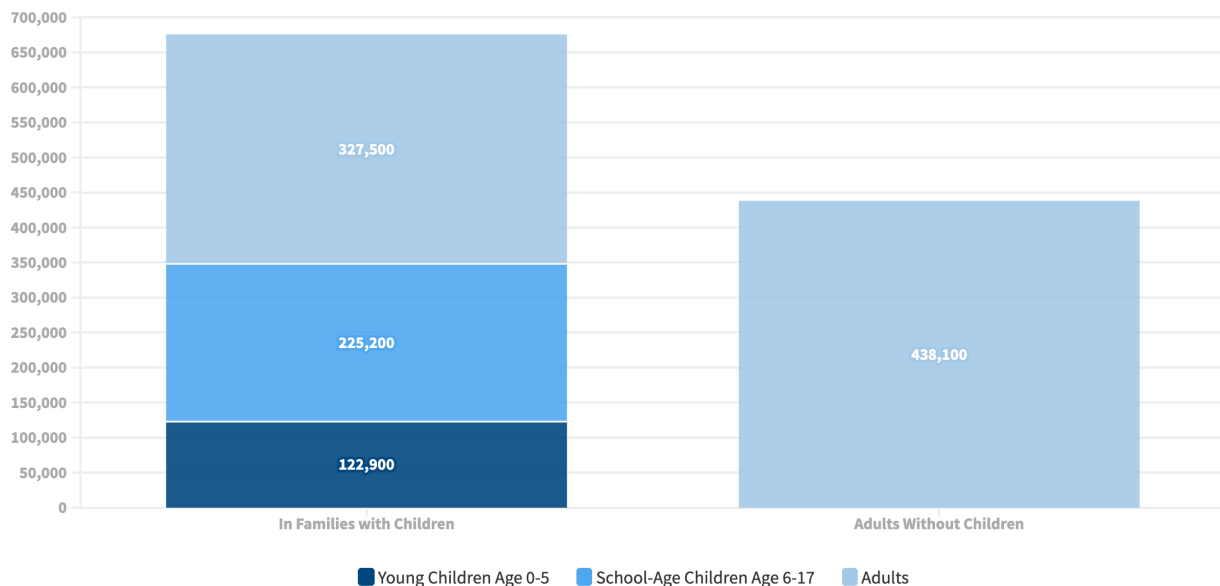
Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities

Percentage of Eligible People in the Sacramento Region

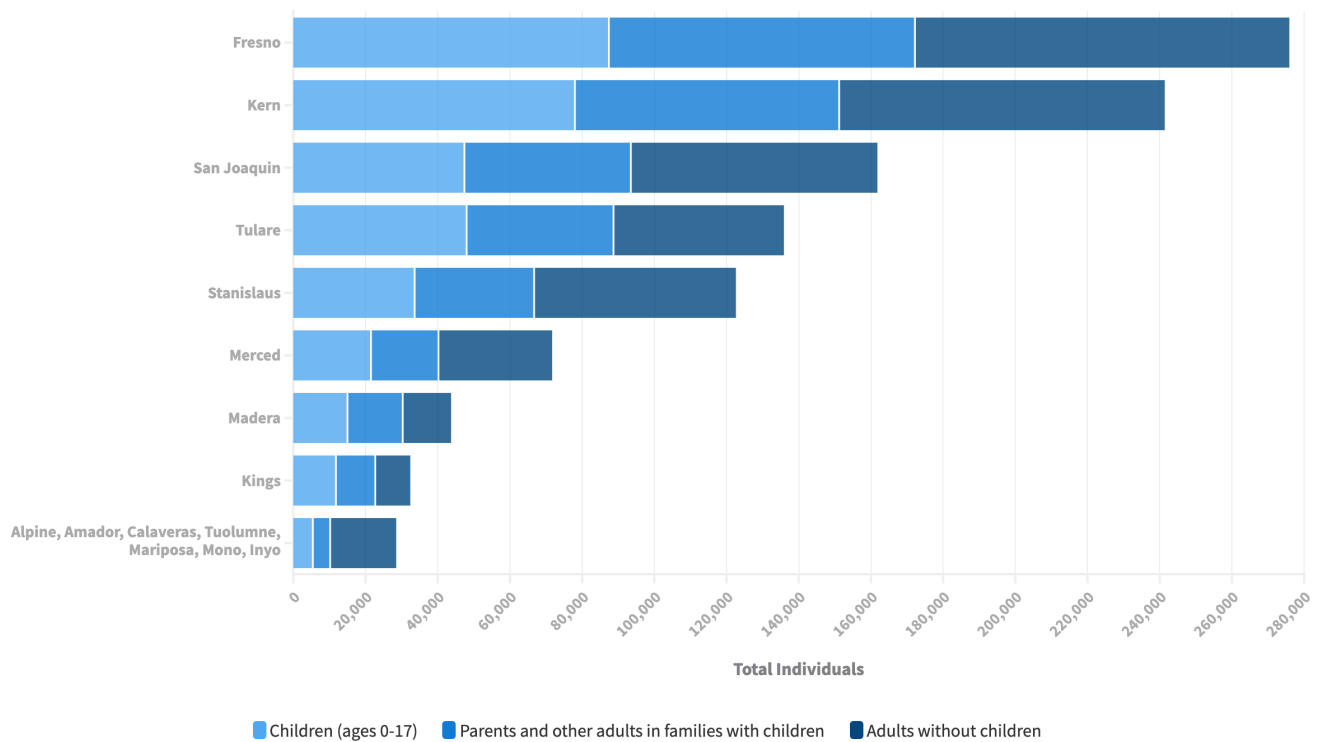


CENTRAL VALLEY & SIERRA NEVADA

In the Central Valley and Sierra Nevada, More Than 1 Million People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

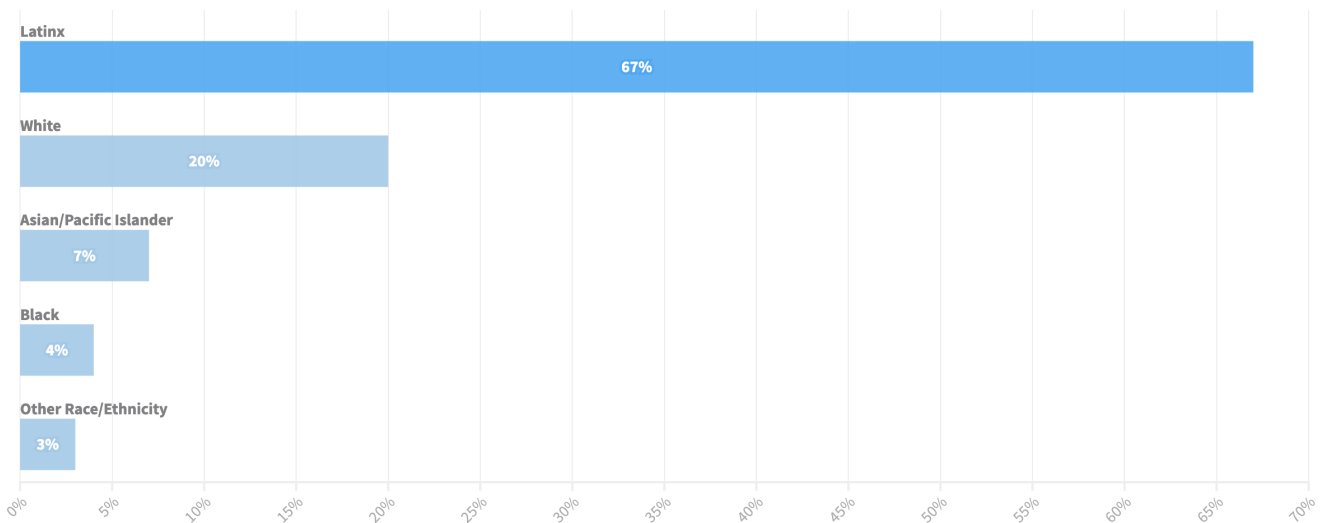


Californians in all Counties Can Benefit from State Refundable Tax Credits Number Eligible to Benefit in the Central Valley and Sierra Nevada

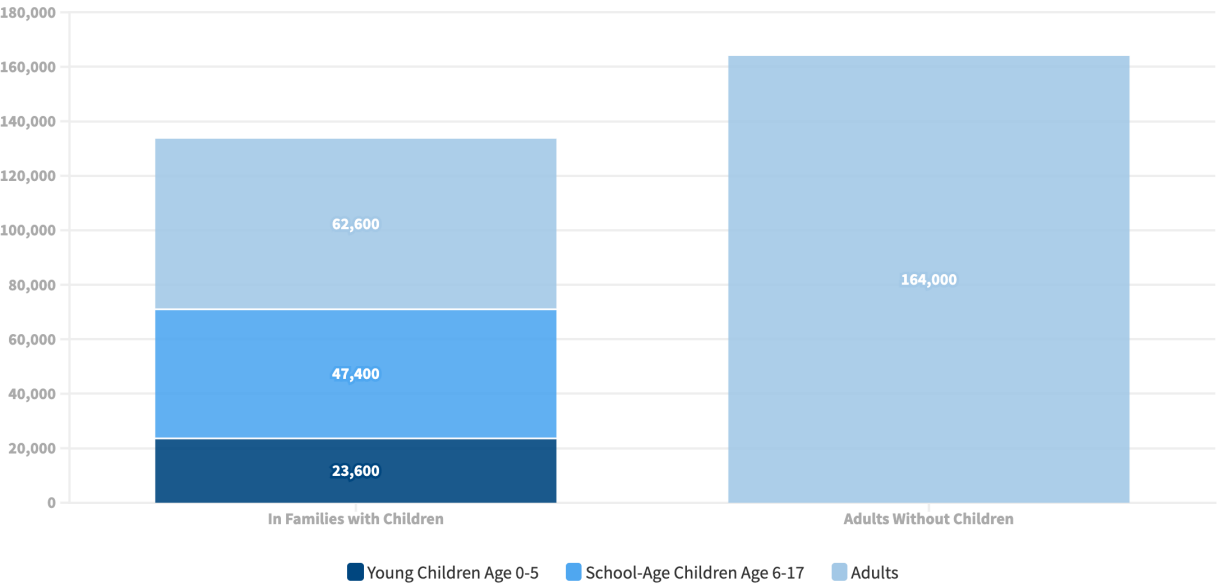


* For estimated numbers of individuals eligible to benefit in each age category by county, see the county data tables in the appendix.

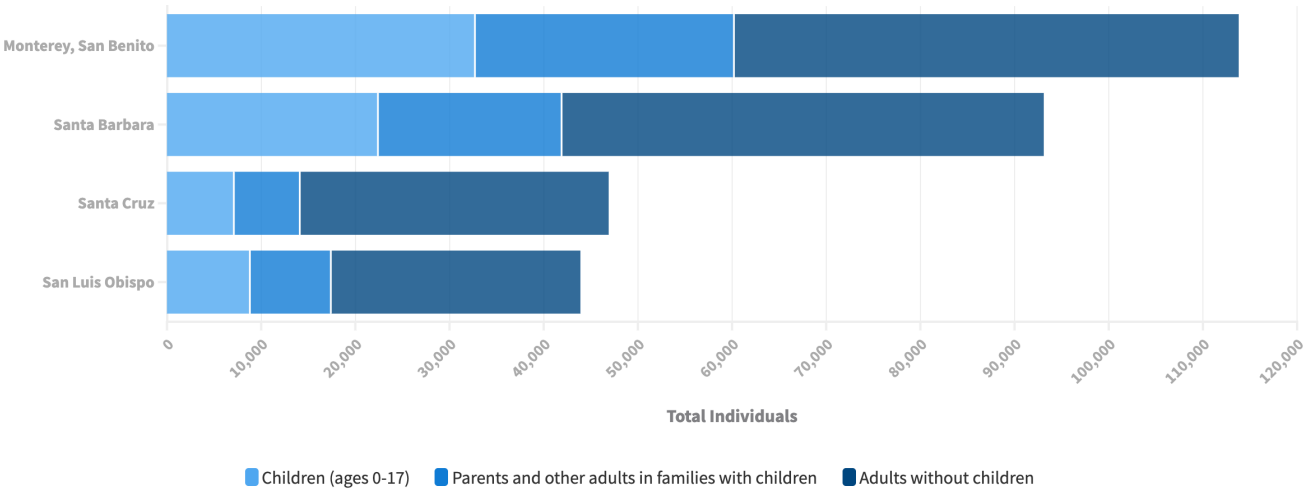
Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities Percentage of Eligible People in the Central Valley and Sierra Nevada



In the Central Coast, Nearly 300,000 People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit



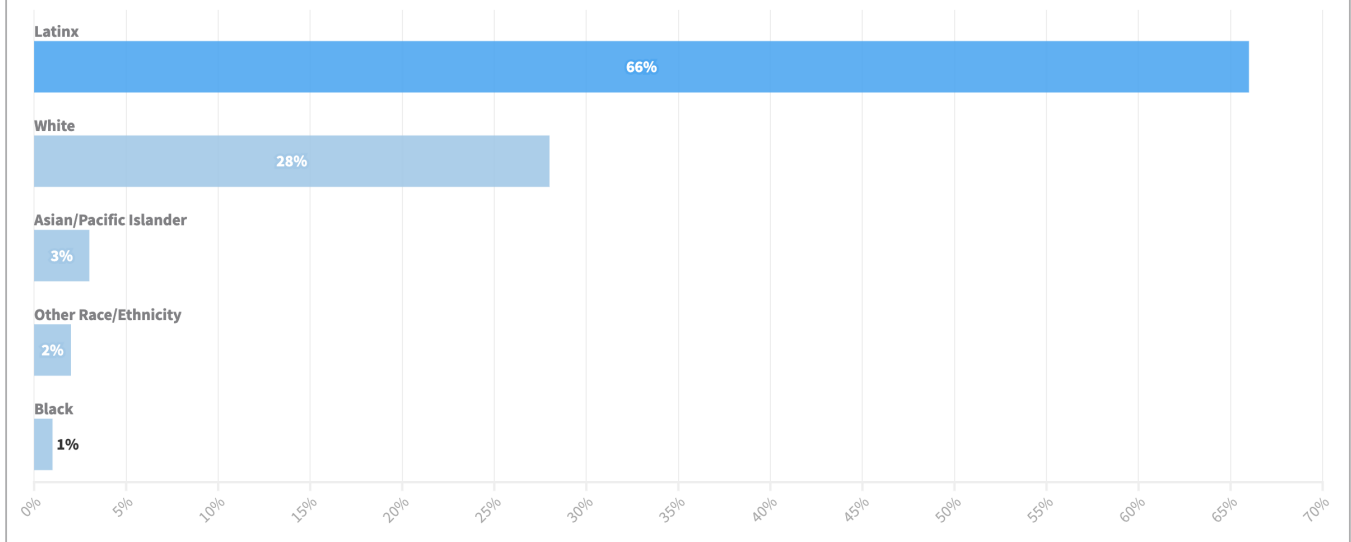
Californians in all Counties Can Benefit from State Refundable Tax Credits
Number Eligible to Benefit in the Central Coast



* For estimated numbers of individuals eligible to benefit in each age category by county, see the county data tables in the appendix.

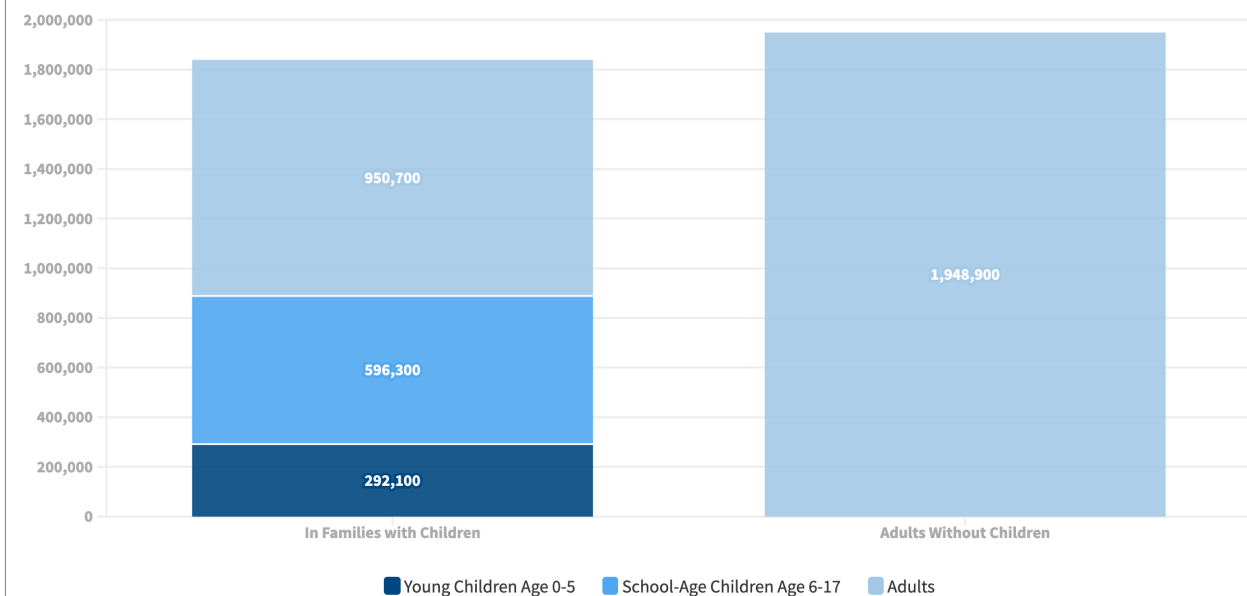
Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities

Percentage of Eligible People in the Central Coast

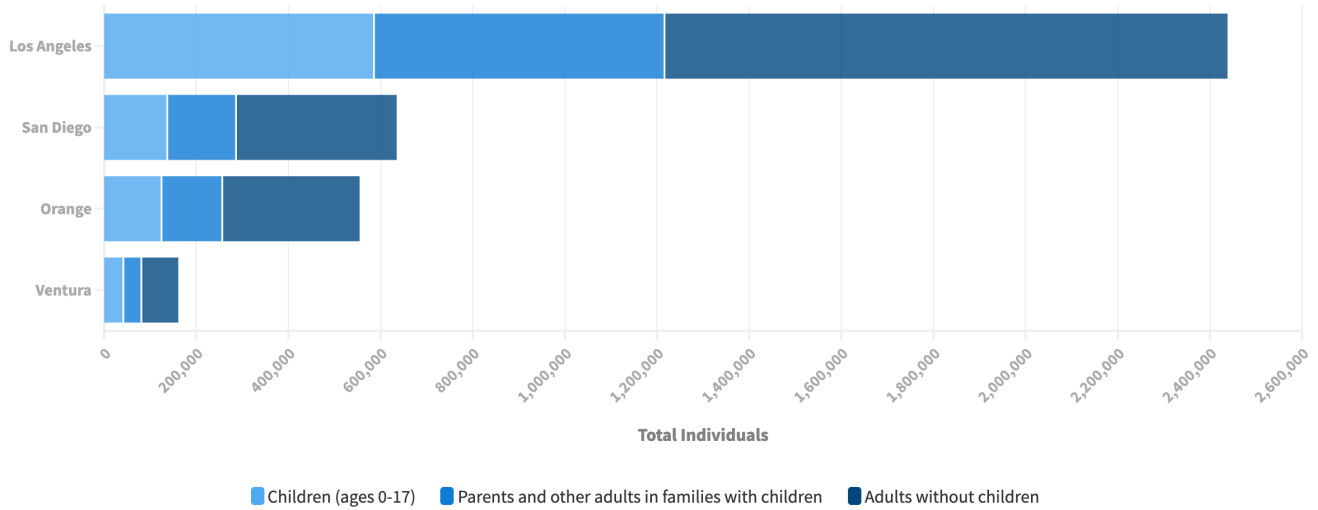


LOS ANGELES & SOUTH COAST

In the Los Angeles and South Coast Region, More Than 3 Million People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

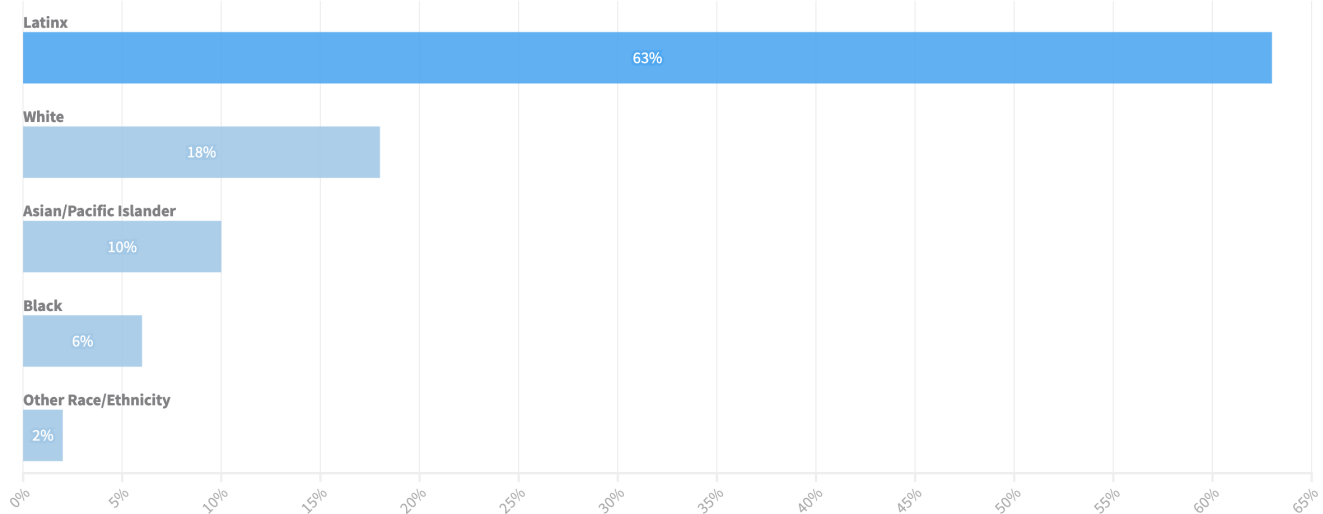


Californians in all Counties Can Benefit from State Refundable Tax Credits Number Eligible to Benefit in the Los Angeles and South Coast Region

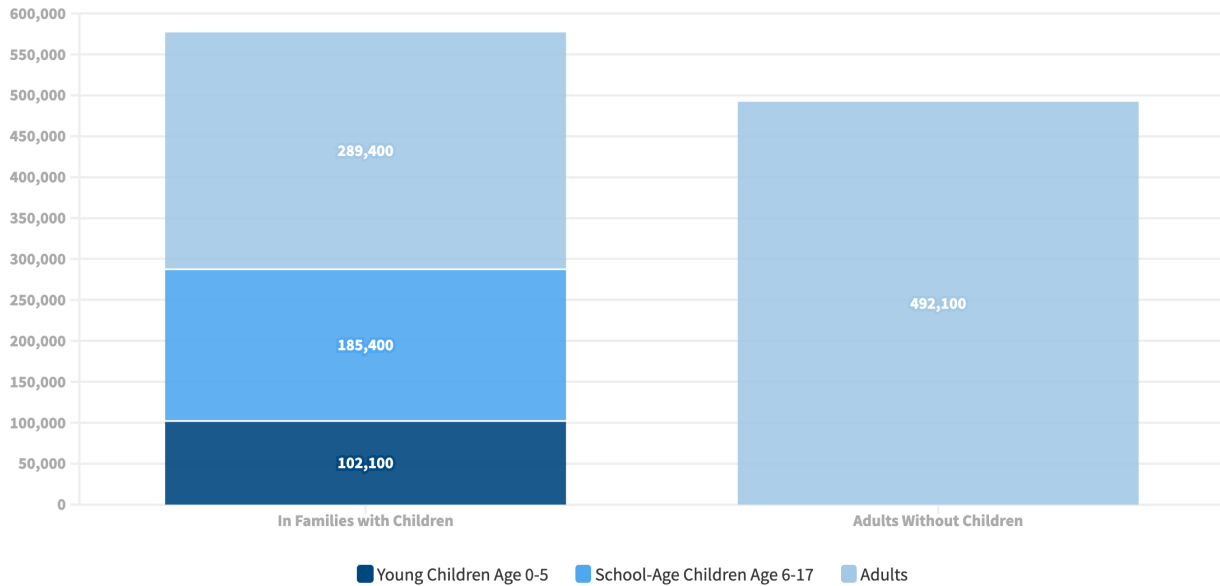


* For estimated numbers of individuals eligible to benefit in each age category by county, see the county data tables in the appendix.

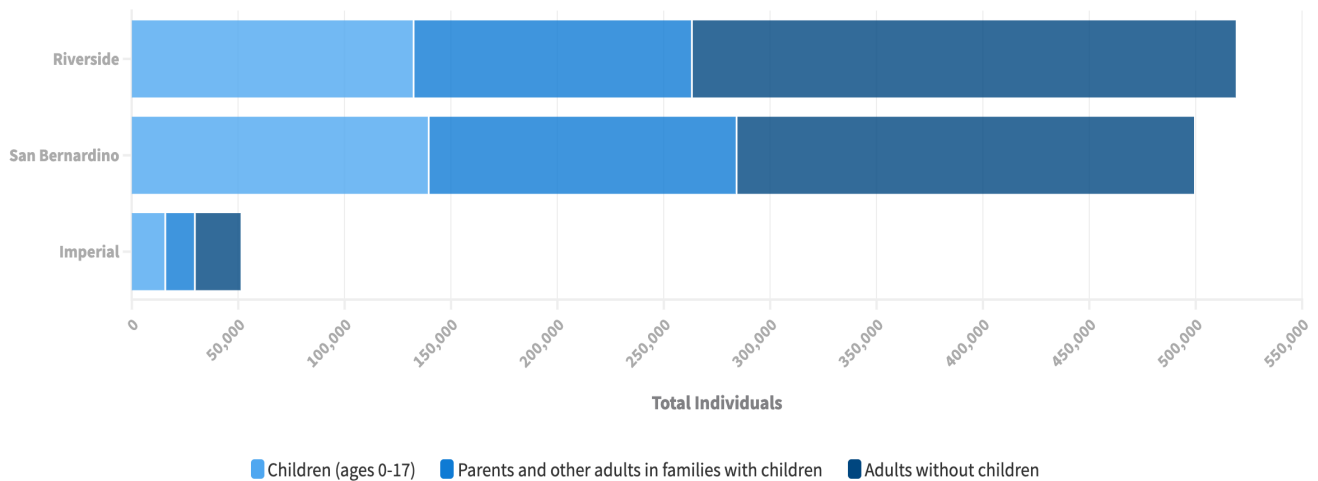
Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities Percentage of Eligible People in the Los Angeles and South Coast Region



In the Inland Empire, More Than 1 Million People Are Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit



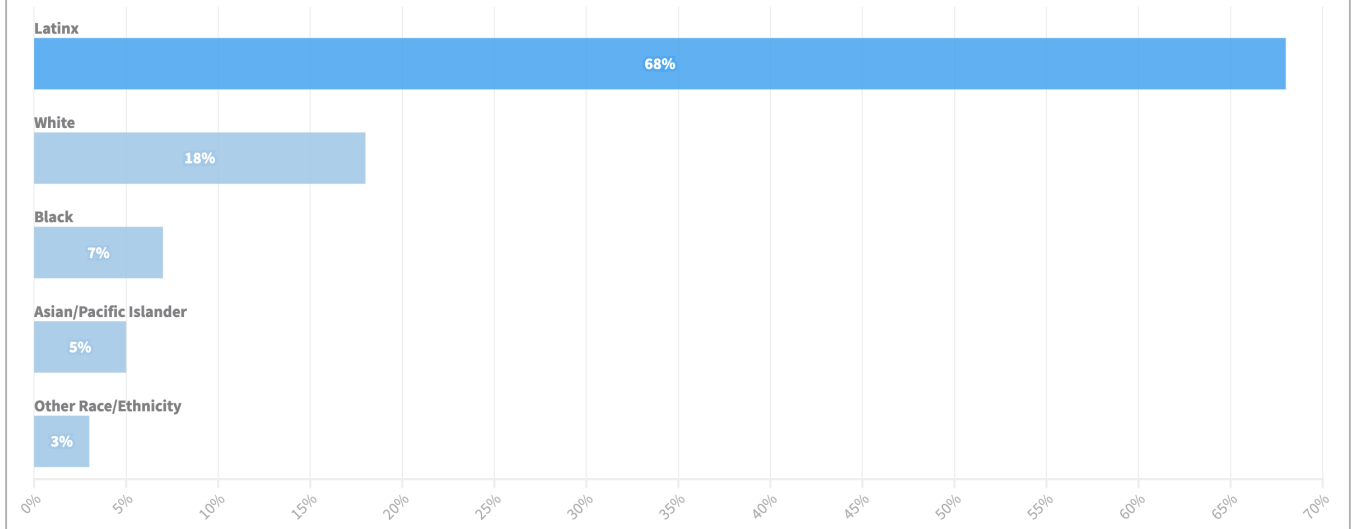
Californians in all Counties Can Benefit from State Refundable Tax Credits Number Eligible to Benefit in the Inland Empire



* For estimated numbers of individuals eligible to benefit in each age category by county, see the county data tables in the appendix.

Californians Eligible to Benefit from State Refundable Tax Credits Represent All Race/Ethnicities

Percentage of Eligible People in the Inland Empire





APPENDIX

County Data Tables

FAR NORTH: Estimated Number of Individuals Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

County or County Group	Total Individuals	Children (Ages 0-17)	Parents and Other Adults in Families with Children	Adults Without Children
Del Norte, Lassen, Modoc, Plumas, Siskiyou	21,500	5,600	5,400	10,500
Mendocino, Lake	34,900	8,800	7,300	18,700
Humboldt	33,700	6,700	6,700	20,400
Colusa, Glenn, Tehama, Trinity	28,200	7,700	7,600	12,800
Shasta	32,800	6,300	6,400	20,200
Butte	51,200	8,700	10,500	32,000
Nevada, Sierra	15,400	*	*	9,300
* Sample size too small for reliable estimate				

SAN FRANCISCO BAY AREA

SAN FRANCISCO BAY AREA: Estimated Number of Individuals Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

County or County Group	Total Individuals	Children (Ages 0-17)	Parents and Other Adults in Families with Children	Adults Without Children
San Francisco	105,300	14,500	16,000	74,800
Marin	24,300	*	*	18,100
Sonoma	75,800	12,400	14,200	49,200
Napa	22,700	4,300	5,400	13,000
Solano	68,800	15,900	14,800	38,100
Contra Costa	162,700	35,000	36,300	91,400
Alameda	206,200	36,400	43,300	126,500
Santa Clara	225,400	43,500	44,200	137,800
San Mateo	90,700	15,300	18,200	57,200
* Sample size too small for reliable estimate				

SACRAMENTO REGION

SACRAMENTO REGION: Estimated Number of Individuals Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

County or County Group	Total Individuals	Children (Ages 0-17)	Parents and Other Adults in Families with Children	Adults Without Children
Sacramento	305,300	76,600	82,200	146,500
Sutter, Yuba	40,500	11,800	11,400	17,300
Yolo	40,500	7,500	8,600	24,300
Placer	49,900	7,700	11,000	31,300
El Dorado	25,800	4,300	4,200	17,300

CENTRAL VALLEY AND SIERRA NEVADA: Estimated Number of Individuals Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

County or County Group	Total Individuals	Children (Ages 0-17)	Parents and Other Adults in Families with Children	Adults Without Children
San Joaquin	161,700	47,400	46,100	68,300
Stanislaus	122,600	33,600	33,100	55,900
Merced	71,700	21,500	18,700	31,500
Madera	43,600	15,000	15,300	13,400
Fresno	275,900	87,400	84,800	103,700
Kings	32,400	11,800	10,900	9,700
Tulare	136,000	48,000	40,700	47,200
Kern	241,300	78,000	73,200	90,200
Alpine, Amador, Calaveras, Tuolumne, Mariposa, Mono, Inyo	28,500	5,400	4,800	18,300

CENTRAL COAST: Estimated Number of Individuals Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

County or County Group	Total Individuals	Children (Ages 0-17)	Parents and Other Adults in Families with Children	Adults Without Children
Santa Cruz	46,900	7,100	7,000	32,800
Monterey, San Benito	113,700	32,700	27,500	53,600
San Luis Obispo	43,800	8,800	8,600	26,500
Santa Barbara	93,100	22,400	19,500	51,200

LOS ANGELES & SOUTH COAST

LOS ANGELES AND SOUTH COAST REGION: Estimated Number of Individuals Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

County or County Group	Total Individuals	Children (Ages 0-17)	Parents and Other Adults in Families with Children	Adults Without Children
Ventura	160,800	41,600	39,100	80,100
Los Angeles	2,438,000	585,500	630,600	1,222,000
Orange	554,400	124,400	131,900	298,100
San Diego	634,900	137,000	149,200	348,700

INLAND EMPIRE

INLAND EMPIRE: Estimated Number of Individuals Eligible to Benefit from State Refundable Tax Credits – the CalEITC and Young Child Tax Credit

County or County Group	Total Individuals	Children (Ages 0-17)	Parents and Other Adults in Families with Children	Adults Without Children
San Bernardino	499,100	139,500	144,700	215,000
Riverside	518,800	132,400	130,800	255,600
Imperial	51,000	15,700	13,900	21,500

This project has been made possible in part by a grant from Silicon Valley Community Foundation.

The California Budget & Policy Center is a nonpartisan research and analysis nonprofit committed to advancing public policies that improve the lives of Californians who are denied opportunities to share in the state's wealth and deserve the dignity and support to lead thriving lives in our communities. General operating support for the Budget Center is provided by foundations, grants, subscriptions, and individual contributions.