

CALIFORNIA
GOVERNOR'S OFFICE OF BUSINESS AND
ECONOMIC DEVELOPMENT

California Competes Overview

Assembly Budget Subcommittee #5 on State Administration Hearing

April 8, 2025

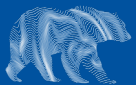


California Competes Tax Credit

- Credit against the income tax due to the Franchise Tax Board
- Non-refundable
- 6 tax year carryover

Accountability

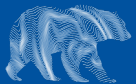
- Tied to achieving contractual (hiring/investment) milestones
- Recapture provisions



California Competes Program

Awards are based on these factors:

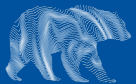
- Number of jobs created or retained
- Compensation paid to employees
- Amount of investment
- Duration of proposed project and commitment to remain in this state
- Extent of unemployment or poverty in business area
- Extent the benefit to the state exceeds the amount of the credit
- Incentives available in other states
- Opportunity for future growth and expansion
- Other incentives available in California
- Overall economic impact
- Strategic importance to the state, region, or locality
- Training opportunities offered to employees
- Commitment to treating workforce fairly and creating quality, full-time, wage and salary jobs
- Extent to which the credit influences the applicant's decision to relocate jobs into California from states that have enacted laws that:
 - Permit discrimination based on sexual orientation, gender identity, or gender expression; or
 - Deny or interfere with women's reproductive rights



California Competes Program (Continued)

GO-Biz is also required to evaluate the extent to which the credit will influence the applicant's ability and/or willingness to create new full-time jobs in California that might not otherwise be created by the applicant or another California business.

- How will this credit and – more specifically – the *amount* requested factor into the applicant's ability or willingness to expand in California?
- The Frequently Asked Questions on the GO-Biz [website](#) provide additional guidance.



Agreement & Committee Approval

Terms and conditions of the agreement:

- Minimum employee compensation and retention period
- Credit distribution period
- Recapture provisions if applicant fails to meet commitments

Tax credit agreements must be approved by the California Competes Tax Credit Committee:

- Committee Members: State Treasurer, Director of the Department of Finance, two legislative appointees, and the Director of GO-Biz (Chair)



Milestone Chart

Taxpayer: Widget Manufacturing, Inc.

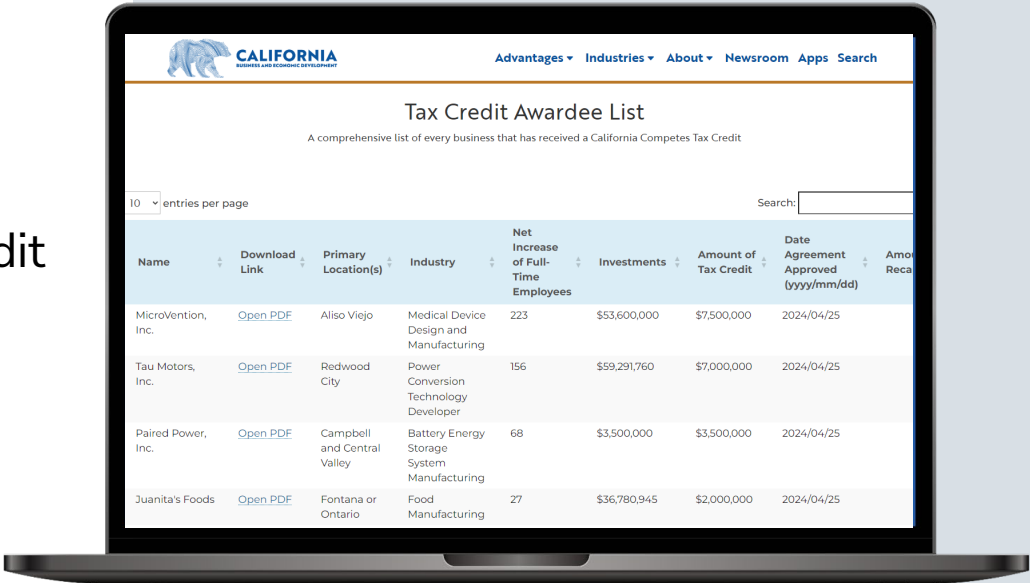
	2024 Tax Year (Base)	2025 Tax Year	2026 Tax Year	2027 Tax Year	2028 Tax Year	2029 Tax Year	Total
Total California Full-Time Employees ¹	48	51	56	66	83	88	
Net Increase of Full-Time Employees Compared to the Base Year		3	8	18	35	40	
Minimum Annual Wage of California Full-Time Employees Hired		\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	
Cumulative Average Annual Wage of California Full-Time Employees Hired		\$60,000	\$60,000	\$60,000	\$64,286	\$67,500	
Investments		\$0	\$10,000,000	\$7,660,000	\$0	\$0	
Tax Credit Allocation		\$82,500	\$137,500	\$275,000	\$467,500	\$137,500	\$1,100,000

¹ Determined on an annual full-time equivalent basis



Post Committee Approval

GO-Biz is required to post information on its website for all awardees. For a list of all tax credit awardees, visit the [tax credit awardee list](#).



The screenshot shows the 'Tax Credit Awardee List' on the California Competes website. The page includes a search bar and a table with columns for Name, Download Link, Primary Location(s), Industry, Net Increase of Full-Time Employees, Investments, Amount of Tax Credit, and Date Agreement Approved (yyyy/mm/dd). The table lists four awardees: MicroVention, Inc., Tau Motors, Inc., Paired Power, Inc., and Juanita's Foods.

Name	Download Link	Primary Location(s)	Industry	Net Increase of Full-Time Employees	Investments	Amount of Tax Credit	Date Agreement Approved (yyyy/mm/dd)
MicroVention, Inc.	Open PDF	Aliso Viejo	Medical Device Design and Manufacturing	223	\$53,600,000	\$7,500,000	2024/04/25
Tau Motors, Inc.	Open PDF	Redwood City	Power Conversion Technology Developer	156	\$59,291,760	\$7,000,000	2024/04/25
Paired Power, Inc.	Open PDF	Campbell and Central Valley	Battery Energy Storage System Manufacturing	68	\$3,500,000	\$3,500,000	2024/04/25
Juanita's Foods	Open PDF	Fontana or Ontario	Food Manufacturing	27	\$36,780,945	\$2,000,000	2024/04/25



Oversight & Accountability

Franchise Tax Board (FTB)

- Access to application and all documentation
- Must review books and/or records for agreement compliance

Material Breach

- FTB informs GO-Biz
- Committee approves or denies recapture



Technical Assistance



Resources

- [California Competes Tax Credit Flyer](#) – One page handout for parties interested in the CCTC program.
- [California Competes Tax Credit FAQ](#) – Frequently Asked Questions about the California Competes Tax Credit program.
- [California Competes PowerPoint](#) – a PowerPoint overview of the California Competes programs.
- [California Competes Webinar \(recorded\)](#) – A recorded webinar of the California Competes program.
- [Application Guide](#) – Instructions on how to complete each section of the California Competes application.
- [Application Tutorial Videos](#) – 14-video playlist containing detailed instructional videos on how to complete the California Competes applications.
- [Tax Credit Awardee List](#) – a comprehensive list of every business that has received a California Competes Tax Credit.
- [Grant Awardee List](#) – a comprehensive list of every business that has received a California Competes Grant.
- [High Unemployment and Poverty Areas](#) – List of every city and county that qualifies as a high unemployment and/or poverty area for the California Competes applications.
- [Taller de inscripción al Programa del Crédito Fiscal California Competes](#) – una descripción general del programa California Competes (Powerpoint).
- [Crédito de impuestos California Compite Guía de solicitud](#) – Instrucciones sobre cómo completar cada sección de la solicitud California Competes.
- [California Competes Tax Credit Regulations](#) – California Code of Regulations for the California Competes Tax Credit program.
- [Franchise Tax Board Compliance Process](#) – PowerPoint overview of the Franchise Tax Board's books and records review process.
- [Franchise Tax Board Grant Recapture Process](#) – PowerPoint overview of the Franchise Tax Board's recapture process
- [Publications](#) – Access to CCTC Agendas, Minutes, and Fiscal Year Notice.





Questions?

Apply: <https://www.calcompetes.ca.gov>

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