

**CALIFORNIA**  
GOVERNOR'S OFFICE OF BUSINESS AND  
ECONOMIC DEVELOPMENT

# California Competes Application Workshop

Fiscal Year 2024-2025

in 

# Agenda



**Program Information**



**Evaluation Criteria**



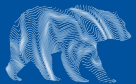
**Application Deadlines,  
Process, & Guide**



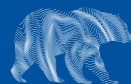
**Example Application**



**Questions & Answers**



# Program Information





## **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



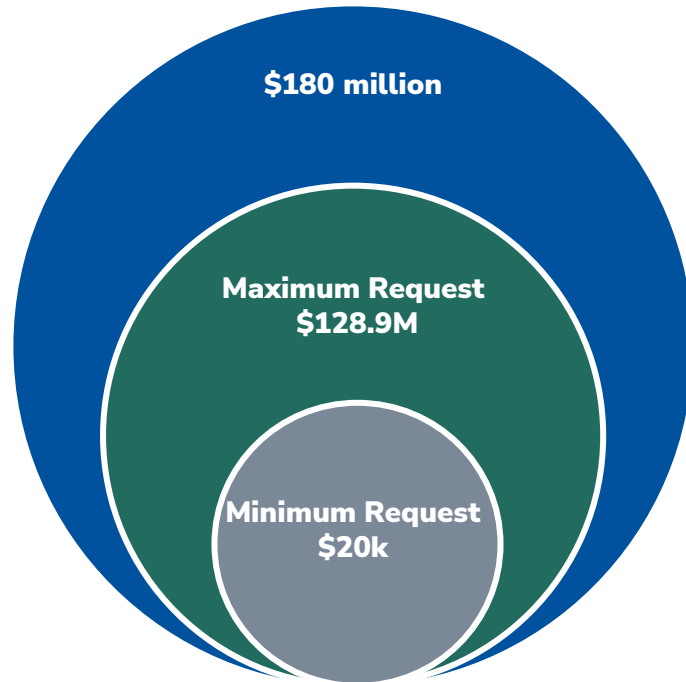
# California Competes Program (Continued)

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.



# California Competes Tax Credit Availability



## Amount of Tax Credits Available

### **\$180 million per fiscal year**

2018/19 through 2027/28, unallocated credits move to the following fiscal year

### **No more than 20%**

\$128.9 million is the maximum amount to be awarded to any one applicant per year

### **Minimum credit request**

Businesses must request at least \$20,000 in tax credits



# Application Periods

**A total of \$644,756,695 in California Competes Tax Credit is available for allocation in the 2024-2025 fiscal year.**

**The Director of GO-Biz sets the application periods each fiscal year:**



**July 22, 2024 - August 12, 2024**

\$215 million in tax credits available



**January 6, 2025 - January 27, 2025**

\$215 million in tax credits available



**February 24, 2025 - March 10, 2025**

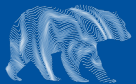
\$214.7 million in tax credits available, plus any unallocated remaining amounts



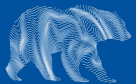
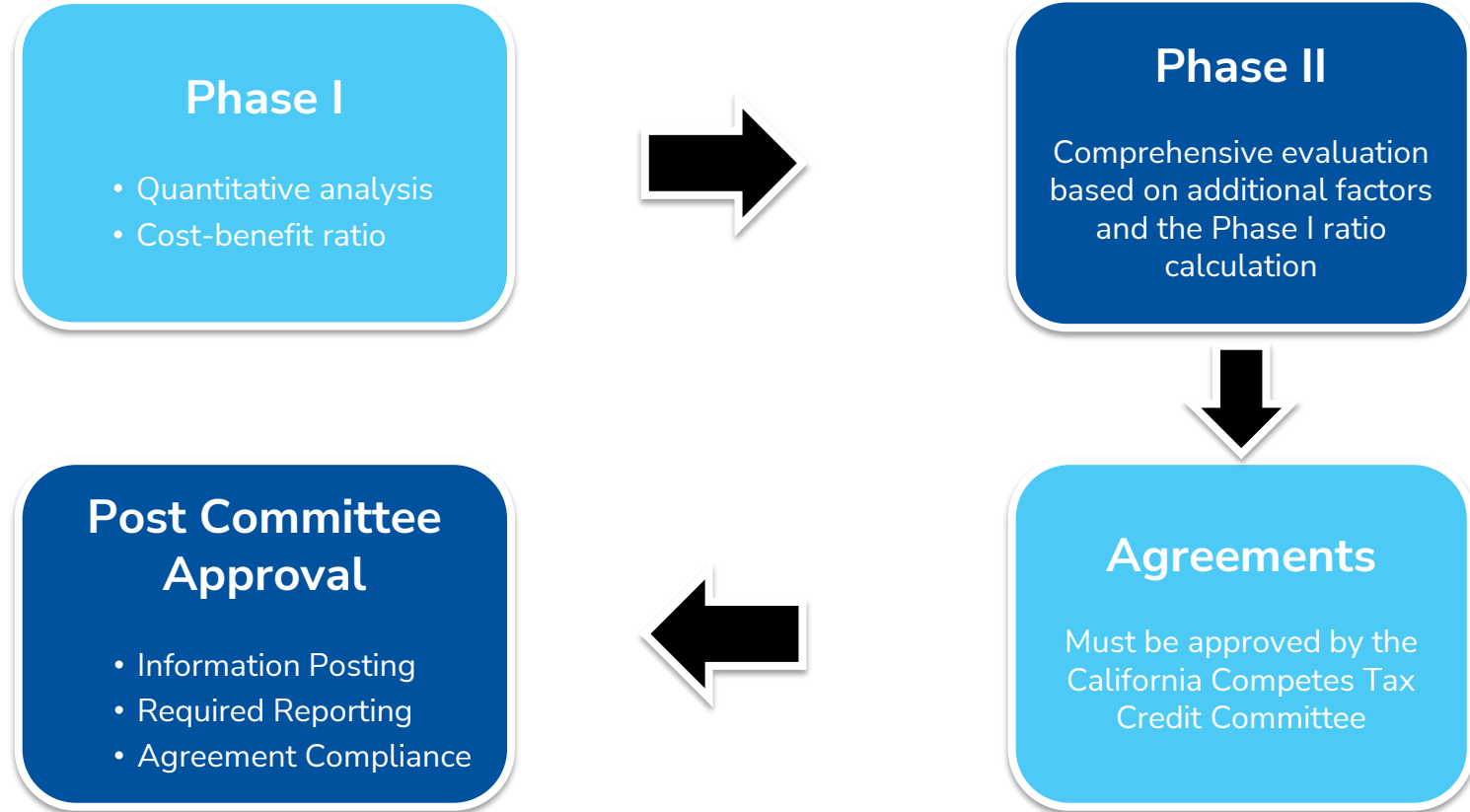


# Application Process

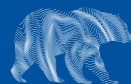
- Online application submission:  
<https://www.calcompetes.ca.gov>
- Notices and technical assistance:  
<https://business.ca.gov/california-competes-tax-credit/>
- Unsuccessful tax credit applicants may resubmit applications after updating the **Employees** and **Investment** sections and **Current Tax Year**



# Application & Award Process



# Evaluation Criteria



# Cost-Benefit Ratio

**Amount of Credit Requested**

---

**Aggregate Employee  
Compensation**

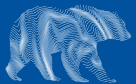
**+**

**Aggregate  
Investment**



Applications with the most advantageous cost-benefit ratio will be moved to Phase II

There will be a review of the top 200% of applicants



# Exemptions to the Phase I Calculation

**GO-Biz may move an application to Phase II, regardless of the ratio, if the applicant certifies that:**

- a. Absent award of the credit, the applicant's project may/will occur in another state, or the applicant may/will terminate or relocate all or a portion of its employees to another state, or
- b. At least 75% of the applicant's net increase of full-time employees work at least 75% of the time in an area of high unemployment or high poverty



# High Poverty & Unemployment Areas

## High Poverty Area

A city and/or county within California with a poverty rate of at least 150% of the California statewide poverty rate per the most recently updated data available from the U.S. Census Bureau's American Community Survey thirty days prior to the first day of the applicable application period.

## High Unemployment Area

A city and/or county within California with a poverty rate of at least 150% of the California statewide unemployment rate per the most recently updated data available from the U.S. Census Bureau's American Community Survey thirty days prior to the first day of the applicable application period.

*A list of qualifying high unemployment and high poverty areas will be posted on the California Competes [website](#) approximately 30 days prior to the close of an upcoming application period*



# Phase II Evaluation

- Phase I information
- Extent of unemployment/poverty
- Economic Impact
- Number of retained employees
- Opportunities for growth/expansion
- Other incentives available
- Wages & Benefits
- 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
- Other information requested

Note: Evaluated factors are in no particular order



# 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)



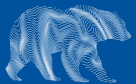


# Milestone Chart

Taxpayer: Widget Manufacturing, Inc.

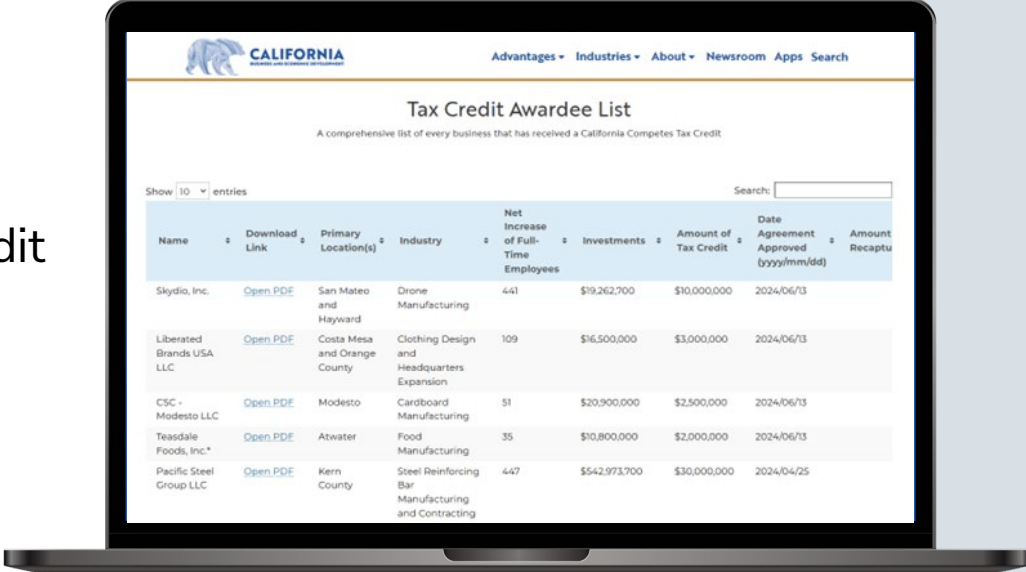
	2024 Tax Year (Base)	2025 Tax Year	2026 Tax Year	2027 Tax Year	2028 Tax Year	2029 Tax Year	Total
Total California Full-Time Employees <sup>1</sup>	48	51	56	66	83	88	
Net Increase of Full-Time Employees Compared to the Base Year		3	8	18	35	40	
Minimum Annual Wage of California Full-Time Employees Hired		\$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	\$17,660,000
Tax Credit Allocation		\$82,500	\$137,500	\$275,000	\$467,500	\$137,500	\$1,100,000

<sup>1</sup> Determined on an annual full-time equivalent basis



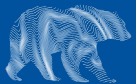
# Post Committee Approval

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 a web page titled "Tax Credit Awardee List" from the California GO-Biz 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, Date Agreement Approved, and Amount Recaptured. The table lists five awardees: Skydio, Inc.; Liberated Brands USA LLC; CSC - Modesto LLC; Teasdale Foods, Inc.\*; and Pacific Steel Group LLC.

Name	Download Link	Primary Location(s)	Industry	Net Increase of Full-Time Employees	Investments	Amount of Tax Credit	Date Agreement Approved (yyyy/mm/dd)	Amount Recapt
Skydio, Inc.	<a href="#">Open PDF</a>	San Mateo and Hayward	Drone Manufacturing	441	\$19,262,700	\$10,000,000	2024/06/13	
Liberated Brands USA LLC	<a href="#">Open PDF</a>	Costa Mesa and Orange County	Clothing Design and Headquarters Expansion	109	\$16,500,000	\$3,000,000	2024/06/13	
CSC - Modesto LLC	<a href="#">Open PDF</a>	Modesto	Cardboard Manufacturing	51	\$20,900,000	\$2,500,000	2024/06/13	
Teasdale Foods, Inc.*	<a href="#">Open PDF</a>	Atwater	Food Manufacturing	35	\$10,800,000	\$2,000,000	2024/06/13	
Pacific Steel Group LLC	<a href="#">Open PDF</a>	Kern County	Steel Reinforcing Bar Manufacturing and Contracting	447	\$542,973,700	\$30,000,000	2024/04/25	



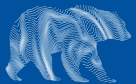
# Oversight & Accountability

## 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



# California Competes Application Guide

Fiscal Year 2024-2025



# Key Definitions

General Definitions	
Project	The applicant's proposed business venture that will result in increased employment/investments in California
Applicant	The legal name of the business (taxpayer) that is registered with the California Secretary of State or otherwise legally authorized to do business in California
Base Year	The applicant's taxable year immediately preceding the taxable year in which the application is submitted



# Key Definitions

Employment Definitions	
Full-time Employee	An individual paid wages for services in California of not less than an average of 35 hours per week (W-2 Employees)
Annual Full-time Equivalent	A method of accounting for full-time employees that worked (or will work) less than a full year during the applicant's taxable year
Aggregate Employee Compensation	A method of accounting for wages of full-time employees on an annual full-time equivalent basis for the current tax year plus four subsequent tax years
Wages	Is the amount of monetary compensation a full-time employee (whether paid by the hour or a salary) is paid by the applicant per year and does not include tips, overtime, bonuses, commissions, stock options, benefits, or other compensation of any kind. When answering the questions that request the minimum and average wages of California full-time employees to be hired, use the wages the full-time employee(s) would make in a full year of employment, without regard to the projected date of hire



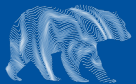
# Key Definitions

Investment Definitions	
Investment	The amount paid for “real” and “personal” property purchased or leased after the close of the current application period, directly related to the applicant’s proposed project.
Real Property	Is any property located in this state that is attached directly to land, as well as the land itself. It includes, but is not limited to all, land, structures, firmly attached and integrated equipment, anything growing on the land, and all other “interests” in the property which may be the right to future ownership, right to occupy for a period of time, or an easement across another's property. Real property also includes capitalized costs related to new construction, reconstruction, or expansion of buildings or structures which will be used in the applicant's trade or business in connection with the project and are subject to depreciation.
Personal Property	Is property that is tangible, movable property, including, but not limited to, vehicles, movable fixtures, equipment, electronic devices, intangible property, including, but not limited to, software licenses, intellectual property acquired in connection with the project that has a quantifiable value, and other business assets which are subject to depreciation.



# Documents Needed

- ✓ **Payroll records for full-time employees by the applicant in its prior tax year (i.e., base year)**
- ✓ **5-year business plan, including:**
  - Projected number of new full-time employees, their job classifications, and wages
  - Projected amount of new investment



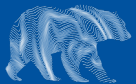
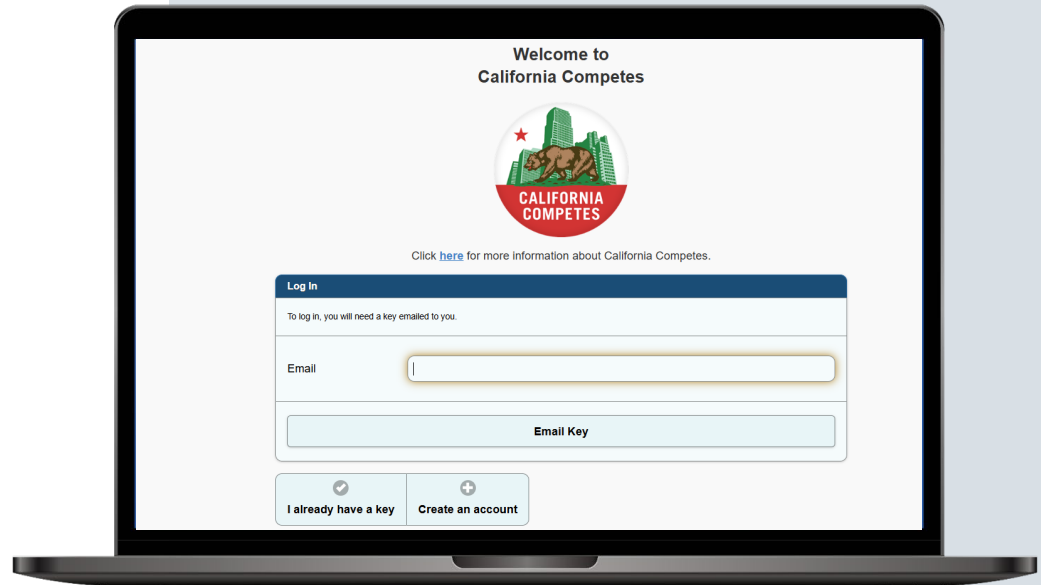


# Creating an Account

## Go to:

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



1. Click Create an Account
2. Input all information
3. Return to Log In Page
4. Input Email, Click Email Key



# Creating an Account (Continued)

7 Create an Account

**Human verification**

Type the text [Privacy & Terms](#)

First Name

Middle Initial

Last Name

Title

Company

Phone (Primary)

Phone (Alternate)

**Email**

*Your email address will be used to log you into the application. To avoid delays when logging in, specify an email address that does not forward to other addresses.*

Email

Reenter Email

**Create Account**



# Login

Subject: Cal Competes Login

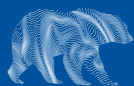
(This information will expire 30 minutes after it is sent.)

Use this key to log in.

238257

Or just click on this link to log in

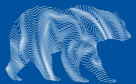
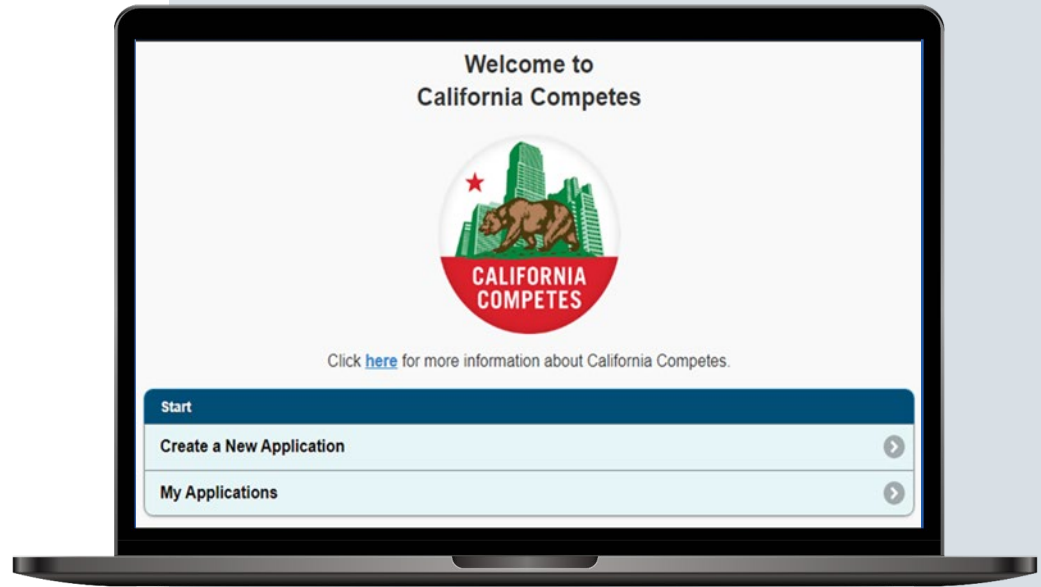
<https://www.calcompetes.ca.gov/Public/Auth.aspx?id=3-hClslLFtSBtjwhhMgrE9LMK5XealLjBIEO3TZNL3hhdX8HEhib0Ux2F35HbRJIAYB12sv1yXWVX493PDmeM4Y>



# Creating an Application

## Once logged in:

1. Click Create a New Application;  
or
2. Click My Applications to access  
saved or previously submitted  
applications



# Creating an Application (Continued)

1 Create Application

Application Type

Applicant's Legal Business Name

Has the applicant previously been awarded a California Competes Tax Credit?

Applicant's Current Taxable Year (As of)

Accounting Period End Date

Accounting Period End Date (If Other)

Description of Other Accounting Period End Date (Optional)

Create Application

Date will reflect the last day of each application period.

XX/XX/XXXX

Applicant's Current Taxable Year changes depending on the last day of the application period.



# The Application

Sections	
Contact Information	Not Started >
Business Information	Not Started >
Business Structure	Not Started >
Proposed Project	Not Started >
Project Locations	Not Started >
Employees	Not Started >
Investment	Not Started >
Ownership	Not Started >
Incentives and Programs	Not Started >
Litigation and Violations	Not Started >
Consultant Questions	Not Started >

Submit    Options    Report    Phase II



# Contact Information

**Add Contact**

First Name

Last Name

Email

Confirm Email

Title

Phone


Mailing Address

Contact Relationship

Other Relationship

This is the primary contact and is the person authorized to speak and negotiate on behalf of the applicant with GO-Biz. The primary contact will receive communication from GO-Biz regarding the status of the application.

Note: If the primary contact is not the applicant or an employee of the applicant, please add an additional contact that is the applicant or an employee of the applicant. If you want a contact to be able to edit the application, please click the "Options" button the Application Summary screen, select Application Users.

**Add Contact** **Cancel** 

Multiple contacts can be added. The primary contact will receive communication from GO-Biz regarding the status of the application.



# Business Information

**Primary Place of Business**

Address Line 1

Address Line 2

City

US State

US Zip Code

Country

Non-US Territory

Non-US Postal Code

Applicant's Primary NAICS Code

Proposed Project NAICS Code


[Click here for NAICS info](#)

Visit the [NAICS Website](#) to identify primary business and proposed project classification.






# Business Structure

 **Business Structure**

Entity Location

Entity Type

Other Type

**Complete**  **Cancel**



# Business Structure (Continued)

Entity Type	<input type="text" value="US S Corporation"/>
Is the applicant publicly traded?	<input type="checkbox"/> No
Is the applicant incorporated in California or qualified with the California Secretary of State to transact intrastate business in California?	<input checked="" type="checkbox"/> Yes
State of Incorporation	<input type="text"/>
<input type="button" value="Save"/> <input type="button" value="Complete"/> <input type="button" value="Cancel"/>	



# Proposed Project

**Proposed Project**

Please provide a description of the applicant's business and a detailed description of the proposed project. Additionally, please include an in depth explanation of how award of the credit will impact the applicant's ability and/or willingness to create new full-time jobs in California that may not otherwise be created by the applicant or any other business in California. (7000 characters max)

Please select the best description of the proposed project:

- This is a growth project for an applicant located in California.
- This is a project for an out-of-state applicant coming to California.
- This project is a relocation within California.
- This project is a California retention only project.

Will the project occur in another state if the applicant is not awarded the California Competes Tax Credit?

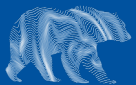
Will the applicant terminate all or a portion of its employees in California, or relocate all or a portion of its employees in California to another state if the applicant is not awarded the California Competes Tax Credit?

**Note: Retention only projects and applicants answering "yes" or "it may" to either of the two questions above will need to submit in Phase II a declaration signed by the applicant's Chief Executive Officer, President, Chief Financial Officer or equivalent officer or representative that states "absent award of the California Competes Tax Credit, the project may occur in another state or the applicant may terminate all or a portion of its employees in California or relocate all or a portion of its employees in California to another state."**

Will at least 75% of the applicant's net increase of full-time employees work at least 75% of the time in a city or county that qualifies as an area of high unemployment or high poverty?

Click [here](#) for a list of cities and counties that qualify as high unemployment and high poverty areas in California for the current application period.

The applicant should describe the proposed business venture, investment, or expansion in California here. The 7000 characters includes letters, numbers, spaces, and punctuations.



# Proposed Project (Continued)

Is the applicant proposing to relocate jobs into California from a state that has enacted a law that does any of the following:

- (i) Voids or repeals, or has the effect of voiding or repealing, existing state protections against discrimination on the basis of sexual orientation, gender identity, or gender expression.
- (ii) Authorizes or requires discrimination against same-sex couples or their families, or discrimination on the basis of sexual orientation, gender identity, or gender expression.
- (iii) Creates an exemption to antidiscrimination laws in order to permit discrimination against same-sex couples or their families, or permits discrimination on the basis of sexual orientation, gender identity, or gender expression.
- (iv) Denies or interferes with, or has the effect of denying or interfering with, a woman's right to choose to bear a child or to choose and obtain an abortion, as provided by Article 2.5 (commencing with Section 123460) of Chapter 2 of Part 2 of Division 106 of the Health and Safety Code.



# Proposed Project (Continued)

Is all or a portion of the applicant's proposed increase of employees or investment due to an acquisition of, or merger with, another business?	<input type="text"/>	
Is all or a portion of the applicant's proposed increase of employees due to an employee leasing arrangement with another business?	<input type="text"/>	
Is all or a portion of the applicant's proposed increase of employees due to a reclassification of independent contractors or conversion of employees employed by any type of temporary services provider?	<input type="text"/>	
Is all or a portion of the applicant's proposed increase of employees due to a transfer of employees from a person or entity that is treated as related to applicant under section 267, 318, or 707 of the Internal Revenue Code or from any member of a "controlled group of corporations" (as defined in Revenue and Taxation Code section 23626) in which the applicant is a member?	<input type="text"/>	
Does the applicant currently or plan to use a professional employer organization (PEO) as the employer of record?	<input type="text"/>	
Is all or a portion of the applicant's proposed investment due to a conversion from a lease to a purchase or vice versa of real or personal property it already controls or has already acquired?	<input type="text"/>	
Total Amount of California Competes Tax Credit Requested (\$)		
<input type="text"/>		
<input type="button" value="Save"/>	<input type="button" value="Complete"/>	<input type="button" value="Cancel"/>



# Proposed Locations

### Project Location

Address Line 1

Address Line 2

City

County

State **California Only**

US Zip Code

This is the primary location

If the project location is unknown, the applicant can put "unknown" in the address and city lines and insert "00000" in the Zip Code.

If there is more than one location, the user should identify the location with the most increases to employment and investment as the primary location.



# Employees

Note: Tax Year will be adjusted in each application period.

1. Existing number of full-time employees in California	<input type="text" value="0"/>
2. Existing number of part-time employees in California	<input type="text"/>
3. Existing number of part-time and full-time employees in the US	<input type="text"/>
4. Existing number of part-time and full-time employees worldwide	<input type="text"/>
5. Number of California full-time employees that were hired and that will be hired in the applicant's 2025 tax year	<input type="text"/>
6. Minimum <b>annual</b> wage of California full-time employees that were hired and that will be hired in the applicant's 2025 tax year (\$)	<input type="text"/>
7. Average <b>annual</b> wage of California full-time employees that were hired and that will be hired in the applicant's 2025 tax year (\$)	<input type="text"/>
8. Number of California full-time employees that will be hired in the applicant's 2025 tax year after <input type="text" value="XX/XX/XXXX"/>	<input type="text"/>

The applicant will need payroll records from the taxable year immediately before the applicant's taxable year in which the application is submitted.

Date will reflect the last day of each application period.



# Investment

Note: Tax Year will be adjusted in each application period.

Investment means the amount that will be paid after the last day of the application period for qualifying real and personal property that will be purchased or leased by the applicant after the last day of the application period. Investment includes capitalized construction costs if the construction activity occurs and is paid for after the last day of the application period. For the complete definition of real and personal property, please review sections 8000(bb) and 8000(ee) of the California Competes Tax Credit regulations located [here](#).

**Applicants who were previously awarded a California Competes Tax Credit or Grant must exclude any investments that were included in their approved California Competes Tax Credit or Grant Agreement.**


Amount of Investment after <input type="text" value="xx/xx/xxxx"/> for applicant's 2025 Tax Year	<input type="text"/>
Amount of Investment for applicant's 2026 Tax Year	<input type="text"/>
Amount of Investment for applicant's 2027 Tax Year	<input type="text"/>
Amount of Investment for applicant's 2028 Tax Year	<input type="text"/>
Amount of Investment for applicant's 2029 Tax Year	<input type="text"/>
Aggregate Investment	\$0

Date will reflect the last day of each application period.





# Ownership

 **Ownership**

**Owners (0%)**


No Owners.


Owners with a share of 25% or more must be listed here.

**+ Add Owner**

**Complete** **Cancel**

Owner Name

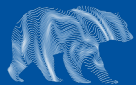
Percentage (Between 25% and 100%)  

**Add Owner** **Cancel** 



# Incentives & Programs

Incentives and Programs
<input type="checkbox"/> California Alternative Energy and Advanced Transportation Financing Authority (State Treasurer's Office)
<input type="checkbox"/> Employment Training Panel (Labor and Workforce Development Agency)
<input type="checkbox"/> Utility Economic Development Rate (Regional Utility Company)
<input type="checkbox"/> Local Programs
Local Programs - Description
<input type="checkbox"/> New Employment Credit (Franchise Tax Board)
<input type="checkbox"/> Sales and Use Tax Exemption (Department of Tax and Fee Administration)
<input type="checkbox"/> Federal Programs
Federal Programs - Description



# Litigations & Violations

Is the applicant or any person or entity with a 25% or greater ownership interest in the applicant currently involved in any material litigation?	<input type="text"/>
Is there any pending or resolved California Environmental Quality Act litigation relating to the applicant's project?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant been involved in any state or federal labor law violation, citation, fine, or penalty?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant been involved in any state or federal occupational safety and health litigation, or involved in any state or federal occupational safety and health violation, citation, fine, or penalty?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant been involved in any state or federal environmental (including but not limited to air, water, and ground) litigation, or involved in any state or federal environmental (including but not limited to air, water, and ground) violation, citation, fine, or penalty?	<input type="text"/>
Within the last 10 years, has the applicant or any person or entity with a 25% or greater ownership interest in the applicant had any California, any other state, or federal tax lien recorded against them?	<input type="text"/>
Describe material litigation, regulatory violations, and/or tax liens, including how the litigation/violations were resolved and steps taken to prevent recurrences (6000 characters)	<input type="text"/>



# Consultant Questions

**1** **Consultant Questions**

Did or will a consultant, attorney, tax practitioner, or any other third party provide any services related to this application or any aspect the California Competes Tax Credit (including but not limited to application support, negotiations, and annual compliance) for a fee?

Description of fee arrangement:

Cost of services for consultant, attorney, tax practitioner, or any other third party preparing or submitting this application, or providing any services related to any and all aspects of this application and/or post-award compliance/reporting, including but not limited to any side agreements for the California Competes Tax Credit: (\$)

**Save** **Complete** **Cancel**



# Submitting the Application

Sections	
Contact Information	Complete >
Business Information	Complete >
Business Structure	Complete >
Proposed Project	Complete >
Project Locations	Complete >
Employees	Complete >
Investment	Complete >
Ownership	Complete >
Incentives and Programs	Complete >
Litigation and Violations	Complete >
Consultant Questions	Complete >

Once all the sections have been marked complete the "submit" button will become active.

Submit    Options    Report    Phase II



# Submitting the Application (Continued)

**Submit Application**

By clicking the SUBMIT button, you are certifying the information is complete and accurate and that you have the authority to file this application on behalf of the applicant. GO-Biz may request to see a power of attorney or the equivalent, but is under no obligation to conduct any due diligence or investigation to confirm that proper authority has been established. Further, by clicking the SUBMIT button, you agree that the person designated as the primary contact in the Contact Information section is the responsible representative for the applicant and GO-Biz will speak and negotiate directly with this person. Additionally, the e-mail address listed for the person designated as the primary contact in the Contact Information section is the authorized e-mail address and the owner of that e-mail address is responsible for receipt of GO-Biz communications sent to that e-mail address. GO-Biz is not responsible for any e-mail not received due to the recipient's security or anti-spam software, or any problems within the recipient's e-mail system.

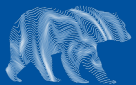
GO-Biz, like all state agencies, is subject to the California Public Records Act (CPRA) found at Government Code section 6250 et. seq. However, a number of exemptions and prohibitions under both state and federal law apply to prevent disclosure of tax, proprietary, confidential, privileged, financial, and/or trade secret information. Additionally, Revenue and Taxation Code section 19542 specifically prohibits the release of the application and application materials submitted as part of the application process. For applicants awarded the credit, the law requires GO-Biz to post on its website the following information:

- A. The name of each taxpayer allocated a credit
- B. The estimated amount of the investment by each taxpayer
- C. The estimated number of jobs created or retained
- D. The amount of the credit allocated to the taxpayer
- E. The amount of the credit recaptured from the taxpayer, if applicable
- F. The primary location where the taxpayer has committed to increase the net number of jobs or make investments
- G. Whether the taxpayer was given priority for being located in a high poverty or high unemployment area

I agree to the conditions above.

If not awarded the California Competes Tax Credit, does the applicant want to be contacted by a member of the GO-Biz team to learn about other economic development incentives that may be available?

**Submit Application**



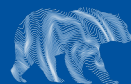
# Confirmation Email

Subject: Your application was submitted

SUCCESS! Your California Competes Tax Credit application has been received by the Governor's Office of Business and Economic Development (GO-Biz). Please retain this e-mail for your records. Applicants that are moving onto Phase II, will be contacted by GO-Biz and further information as set forth in Title 10, Section 8030(g) of the California Code of Regulations will be requested.



# Example Application





# Widget Manufacturing, Inc.

## Hourly Employees

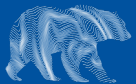
- Currently has 50 full-time and 3 part-time employees
- Will hire 5 full-time hourly employees in both its 2025 and 2026 tax years. It will hire another 20 full-time hourly employees in its 2027 tax year.
- Hourly employees will be paid wages of at least \$45,000 and an average of \$60,000 on an annualized basis.

## Investments

- Will invest \$10,000,000 purchasing a new facility in its 2026 tax year
- Will invest \$7,660,000 for manufacturing equipment in its 2027 tax year

## Salaried Employees

- Will hire 5 full-time salaried employees in both its 2028 and 2029 tax years.
- Salaried employees will be paid wages of at least \$90,000.



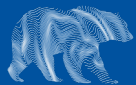
# Project Description

Please provide a description of the applicant's business and a detailed description of the proposed project. Additionally, please include an in depth explanation of how award of the credit will impact the applicant's ability and/or willingness to create new full-time jobs in California that may not otherwise be created by the applicant or any other business in California. (7000 characters max)

Widget Manufacturing, Inc. is a widget manufacturing company located in the city of Anonymous. For the last few years, Widget has experienced consistent growth over time as demand for our product increases. Our manufacturing facility is currently at capacity, and we must expand to a second location in order to meet client's demands.

The second facility is expected to cost \$10,000,000 to construct. There will be an additional \$7,660,000 in various manufacturing equipment, vehicles, and computer equipment. We predict the hiring of 40 employees at this location: 30 jobs will be manufacturing workers of varying classifications, and 10 jobs will be management and other executive positions.

For this expansion, Widget is exploring all of its options, including other states in the US. Our clients are located throughout the United States and we do not necessarily have to locate our second facility in California. We have completed an evaluation of options in other states and will provide the details upon request. If given a credit of \$1,100,000 over the 5-year period, Widget Manufacturing is willing to commit to opening its second facility in California.



# Project Description (Continued)

Is all or a portion of the applicant's proposed increase of employees due to a transfer of employees from a person or entity that is treated as related to applicant under section 267, 318, or 707 of the Internal Revenue Code or from any member of a ""controlled group of corporations"" (as defined in Revenue and Taxation Code section 23626) in which the applicant is a member?

No



Does the applicant currently or plan to use a professional employer organization (PEO) as the employer of record?

No



Is all or a portion of the applicant's proposed investment due to a conversion from a lease to a purchase or vice versa of real or personal property it already controls or has already acquired?

No



Total Amount of California Competes Tax Credit Requested (\$)

1,100,000

Complete



Cancel



# Employees

1. Existing number of full-time employees in California	50
2. Existing number of part-time employees in California	3
3. Existing number of part-time and full-time employees in the US	53
4. Existing number of part-time and full-time employees worldwide	53
5. Number of California full-time employees that were hired and that will be hired in the applicant's 2025 tax year	5
6. Minimum <b>annual</b> wage of California full-time employees that were hired and that will be hired in the applicant's 2025 tax year (\$)	45,000
7. Average <b>annual</b> wage of California full-time employees that were hired and that will be hired in the applicant's 2025 tax year (\$)	60,000
8. Number of California full-time employees that will be hired in the applicant's 2025 tax year after <input type="text" value="XXXX/XXXX"/>	5

Date will reflect the last day of each application period.



# Employees (Continued)

9. Number of California full-time employees that will be hired in the applicant's 2026 tax year

5

10. Minimum **annual** wage of California full-time employees that will be hired in the applicant's 2026 tax year (\$)

45,000

11. Average **annual** wage of California full-time employees that will be hired in the applicant's 2026 tax year (\$)

60,000

12. Number of California full-time employees that will be hired in the applicant's 2027 tax year

20

13. Minimum **annual** wage of California full-time employees that will be hired in the applicant's 2027 tax year (\$)

45,000

14. Average **annual** wage of California full-time employees that will be hired in the applicant's 2027 tax year (\$)

60,000



# Employees (Continued)

15. Number of California full-time employees that will be hired in the applicant's 2028 tax year

5

16. Minimum **annual** wage of California full-time employees that will be hired in the applicant's 2028 tax year (\$)

90,000

17. Average **annual** wage of California full-time employees that will be hired in the applicant's 2028 tax year (\$)

90,000

18. Number of California full-time employees that will be hired in the applicant's 2029 tax year

5

19. Minimum **annual** wage of California full-time employees that will be hired in the applicant's 2029 tax year (\$)

90,000

20. Average **annual** wage of California full-time employees that will be hired in the applicant's 2029 tax year (\$)

90,000

21. Has the applicant previously been awarded a California Competes Tax Credit or Grant?

**No, the applicant has not been previously awarded**



# Employees (Continued)

## Base Year Calculation

22. Number of hourly full-time employees the applicant employed in California for 1,750 hours or more during the applicant's 2024 tax year

32

23. Number of salaried full-time employees the applicant employed in California for 50 weeks or more during the applicant's 2024 tax year

12

24. Number of hourly full-time employees the applicant employed in California for less than 1,750 hours during the applicant's 2024 tax year

7

25. Total number of hours worked by the employees in question 24

5,964

26. Number of salaried full-time employees the applicant employed in California for less than 50 weeks during the applicant's 2024 tax year

3

27. Total number of weeks worked by the employees in question 26

48

Number of full-time employees the applicant employed in the base year, determined on an annual full-time equivalent basis.

48.368

Remember part-time employees do not qualify under the annual full-time equivalent calculation



# Employees (Continued)

2025 Tax Year	
28. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2025 tax year	36
29. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2025 tax year	14
30. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2025 tax year	5
31. Total number of hours that will be worked by the employees in question 30	2,500
32. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2025 tax year	0
33. Total number of weeks that will be worked by the employees in question 32	0
Number of full-time employees the applicant will employ in the 2025 tax year, determined on an annual full-time equivalent basis.	<b>51.429</b>

Multiply the hours projected to be worked by the number of new full-time employees that will be hired mid-year





# Employees (Continued)

## 2026 Tax Year

34. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2026 tax year

41

35. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2026 tax year

14

36. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2026 tax year

5

37. Total number of hours that will be worked by the employees in question 36

2,500

38. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2026 tax year

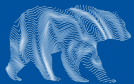
0

39. Total number of weeks that will be worked by the employees in question 38

0

Number of full-time employees the applicant will employ in the 2026 tax year, determined on an annual full-time equivalent basis.

**56.429**



# Employees (Continued)

## 2027 Tax Year

40. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2027 tax year

46

41. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2027 tax year

14

42. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2027 tax year

20

43. Total number of hours that will be worked by the employees in question 42

10,000

44. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2027 tax year

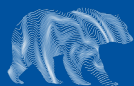
0

45. Total number of weeks that will be worked by the employees in question 44

0

Number of full-time employees the applicant will employ in the 2027 tax year, determined on an annual full-time equivalent basis.

**65.714**



# Employees (Continued)

## 2028 Tax Year

46. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2028 tax year

66

47. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2028 tax year

14

48. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2028 tax year

0

49. Total number of hours that will be worked by the employees in question 48

0

50. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2028 tax year

5

51. Total number of weeks that will be worked by the employees in question 50

150

Number of full-time employees the applicant will employ in the 2028 tax year, determined on an annual full-time equivalent basis.

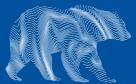
**83.000**



# Employees (Continued)

## 2029 Tax Year

52. Number of hourly full-time employees the applicant will employ in California for 1,750 hours or more during the applicant's 2029 tax year	66
53. Number of salaried full-time employees the applicant will employ in California for 50 weeks or more during the applicant's 2029 tax year	19
54. Number of hourly full-time employees the applicant will employ in California for less than 1,750 hours during the applicant's 2029 tax year	0
55. Total number of hours that will be worked by the employees in question 54	0
56. Number of salaried full-time employees the applicant will employ in California for less than 50 weeks during the applicant's 2029 tax year	5
57. Total number of weeks that will be worked by the employees in question 56	150
Number of full-time employees the applicant will employ in the 2029 tax year, determined on an annual full-time equivalent basis.	<b>88,000</b>
Aggregate Employee Compensation	<b>\$6,609,549</b>



# Investment

Investment means the amount that will be paid after the last day of the application period for qualifying real and personal property that will be purchased or leased by the applicant after the last day of the application period. Investment includes capitalized construction costs if the construction activity occurs and is paid for after the last day of the application period. For the complete definition of real and personal property, please review sections 8000(bb) and 8000(ee) of the California Competes Tax Credit regulations located [here](#).

**Applicants who were previously awarded a California Competes Tax Credit or Grant must exclude any investments that were included in their approved California Competes Tax Credit or Grant Agreement.**

Amount of Investment after <input type="text" value="XX/XX/XXXX"/> for applicant's 2025 Tax Year	<input type="text" value="0"/>
Amount of Investment for applicant's 2026 Tax Year	<input type="text" value="10,000,000"/>
Amount of Investment for applicant's 2027 Tax Year	<input type="text" value="7,660,000"/>
Amount of Investment for applicant's 2028 Tax Year	<input type="text" value="0"/>
Amount of Investment for applicant's 2029 Tax Year	<input type="text" value="0"/>
Aggregate Investment	<b>\$17,660,000</b>

Date will reflect the last day of each application period.



# My Application

**Widget Manufacturing, Inc.**

Submitted



Ratio:  $.045324287 = \text{CR}:\$1,100,000 / (\text{AEC}:\$6,609,549 + \text{AI}:\$17,660,000)$

Cost-Benefit Ratio  
Example



# Historical Ratios: Tax Credit Program

FISCAL YEAR	RATIO
2023-24 1 <sup>st</sup> period	.6812
2023-24 2 <sup>nd</sup> period	.1866
2023-24 3 <sup>rd</sup> period	.3190
2024-25 1 <sup>st</sup> period	.3464

This information is updated after every application period and can be found online at <https://business.ca.gov/CalCompetes/> under Frequently Asked Questions.

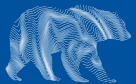


# Contractual Milestones & Credit Allocation

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 <sup>1</sup>	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	\$17,660,000
Tax Credit Allocation		\$82,500	\$137,500	\$275,000	\$467,500	\$137,500	\$1,100,000

<sup>1</sup> Determined on an annual full-time equivalent basis







# Questions?

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

Email: [calcompetes@gobiz.ca.gov](mailto:calcompetes@gobiz.ca.gov)

Phone: (916) 322-4051

Governor's Office of Business & Economic Development

1325 J Street, Suite 1800

Sacramento, CA 95814

<https://business.ca.gov/CalCompetes/>