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Director

Emily Desai
Chief Deputy Director

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California Competes

Committee Meeting

Thursday, May 1, 2025
1:00 p.m.

Department of Food and Agriculture Auditorium
1220 N Street, Sacramento, CA 95814
And (via teleconference)

Jobs to Move America
525 South Hewitt Street, Los Angeles, CA 90013

*And the California Competes Tax Credit (CCTC) Committee Meeting
was live streamed for public viewing on [Zoom](#).*

MEMBERS:

Dee Dee Myers, *Chair*
Director
*Governor's Office of Business
and Economic Development*

Fiona Ma
State Treasurer

Joe Stephanshaw, *Director*
Department of Finance

Todd Walters, *Appointee of the
Senate Committee on Rules*

Madeline Janis, *Appointee of
the Speaker of the Assembly*

Minutes

OPEN SESSION

A. Call to Order and Roll Call

Acting Chair Dosick called the meeting of the California Competes Tax Credit Committee (Committee) to order at 1:00pm.

Members Present: Chair Dosick (representing the Director of GO-Biz), Khaim Morton (representing the State Treasurer), Michele Perrault (representing the Department of Finance), Todd Walters (representing the Senate Committee on Rules), and Madeline Janis (representing the Speaker of the Assembly) joined via teleconference.

B. Approval of Minutes from November 14, 2024, Committee Meeting

Chair Dosick asked if there were any questions from the Committee Members or public comments on Agenda Item B regarding the minutes from the November 14, 2024, meeting. Assistant Deputy Director

Liyanage and Member Janis confirmed there were no public comments at either the Sacramento or Los Angeles locations.

Action Moved/Seconded: Members Morton/Walters

Yes: Members Morton, Perrault, Walters, Janis, Dosick

No: None

C. Deputy Director's Report

Agenda Overview - Agreements with 7 Businesses, Total Tax Credits \$30,516,667

Assistant Deputy Director Liyanage reminded members of the public that if they wanted to make a public comment, then they may fill out one of the public comment cards located at the entrance of the room or in the Los Angeles location. All members of the public making comments were asked to provide their full name and organization (if applicable), and the agenda item for which they have comments. Names and organizations are optional and for identification purposes only, so that we may introduce them when the Chair asks if there are any public comments for the current agenda item. Public commenters were requested to limit their comments to no more than 3 minutes.

The Governor's Office of Business and Economic Development (GO-Biz) recommended 7 tax credit awards totaling \$30.5 million. Ms. Liyanage stated each of the businesses recommended for award today certified in its application and clearly demonstrated that the tax credit will be a significant factor in their decision or ability to commit to the new full-time job creation in California.

Ms. Liyanage stated that over the last few weeks and months, GO-Biz started receiving questions about the relatively low numbers of recommended awards. CalCompetes' mission is to incentivize businesses to choose to expand in California and create high quality full-time jobs that don't have to be here. While CalCompetes continues to receive a high number of applications, there are relatively few competitive applications. Applicants must demonstrate that this credit is truly a material factor in their business decision to expand in California.

Ms. Liyanage stated that another challenge is a macro-economic one. These are very uncertain times, and many businesses are in a proverbial holding pattern as they wait to ascertain what their new normal is going to look like. She stated that CalCompetes is not receiving applications from businesses contemplating large expansions in employment as seen during past periods of strong national economic growth. Ms. Liyanage stated that the program is not hoarding the credits for any strategic purpose or ulterior motive, and it is CalCompetes' goal to award the credits available. In the meantime, the CalCompetes team will continue to be good stewards of the public funds.

Ms. Liyanage thanked the CalCompetes team for their diligence and commitment to conducting solid analyses of the applications we receive, including outside research to validate the information provided.

D. Discussion and Approval of California Competes Tax Credit Agreements

Total Recommended Tax Credits: **\$29,350,000**
Total Recommended Tax Credits after Adjusting for S-Corporation Law¹: **\$30,516,667**

Chair Dosick asked if there were any questions or comments from the Committee or members of the public on any items under Agenda Item D. Assistant Deputy Director Liyanage and Member Janis confirmed that there were no public comments. Chair Dosick called for a motion to approve Agenda Item D.

Action Moved/Seconded: Members Morton/Janis
Yes: Members Morton, Perrault, Walters, Janis, Dosick
No: None

E. Discussion and Approval of Recommendations for California Competes Tax Credit Recapture
Total Tax Credits Recommended to be Recaptured: **\$31,539,120**
Total Tax Credits Recommended to be Recaptured after
Adjusting for S-Corporation Law²: **\$32,382,453**

Chair Dosick asked if there were any questions or comments from the Committee or members of the public on any items under Agenda Item E. Assistant Deputy Director Liyanage and Member Janis confirmed that there were no public comments. Chair Dosick called for a motion to approve all items under Agenda Item E.

Action Moved/Seconded: Members Morton/Walters
Yes: Members Morton, Perrault, Walters, Janis, Dosick
No: None

F. Discussion and Approval of Recommendations for Modified California Competes Tax Credit Recapture
Total Recommended Tax Credits to be Recaptured: **\$780,000**
Total Recommended Tax Credits to be Recaptured after
Adjusting for S-Corporation Law³: **\$793,333**

Chair Dosick asked if there were any questions or comments from the Committee or members of the public on any of the items under Agenda Item F. Assistant Deputy Director Liyanage and Member Janis

¹ One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).

² One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).

³ One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).

confirmed that there were no public comments. Chair Dosick called for a motion to approve all items under Agenda Item F.

Action Moved/Seconded: Members Walters/Morton

Yes: Members Morton, Perrault, Walters, Janis, Dosick

No: None

**G. Discussion and Approval of Recommendations for California Competes Grant Recapture Total
Grant Recommended to be Recaptured: \$25,000,000**

Chair Dosick asked if there were any questions or comments from the Committee or members of the public on Agenda Item G. Assistant Deputy Director Liyanage and Member Janis confirmed that there were no public comments. Chair Dosick called for a motion to approve Agenda Item G.

Action Moved/Seconded: Members Morton/Walters

Yes: Members Morton, Perrault, Walters, Janis, Dosick

No: None

H. Public Comment

Chair Dosick asked if there were any public comments regarding items not on the agenda. Assistant Deputy Director Liyanage and Member Janis confirmed there were no public comments received.

I. Adjournment

Chair Dosick adjourned the meeting at 1:07pm.