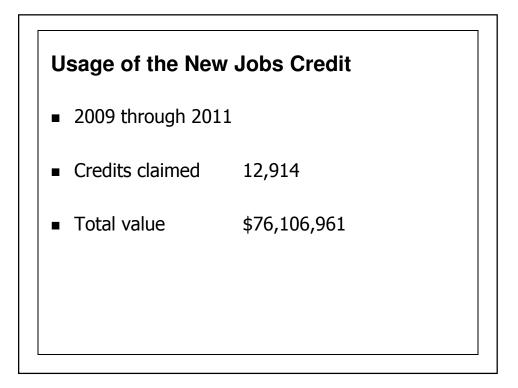


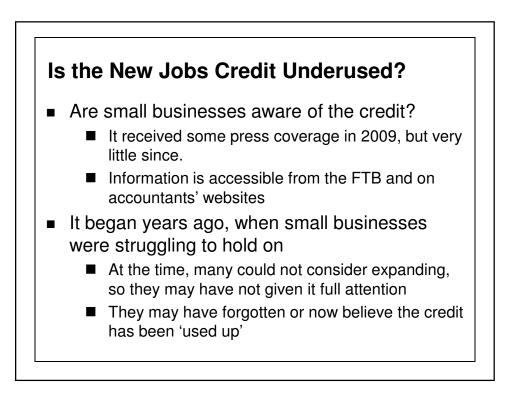
## Caveats

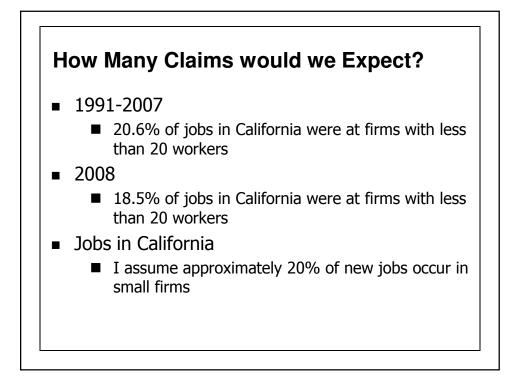
- Total credit available to be claimed by all taxpayers is capped at \$400 million
- The credit must be claimed on a timely filed original return received by the Franchise Tax Board on or before the cut-off date
- The cut-off date is the last day of the quarter when claims cumulatively total \$400 million
- Source: Franchise Tax Board



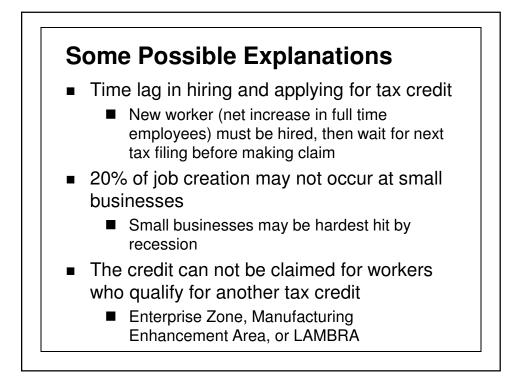
## **Issues for Policy Makers**

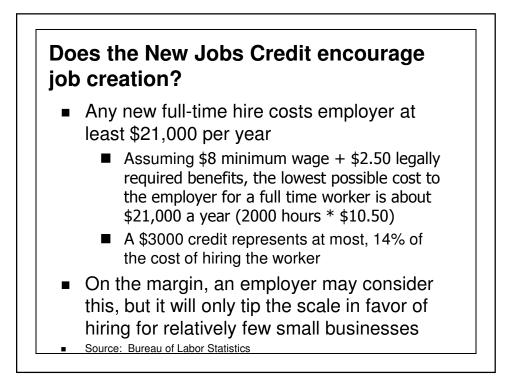
- Is the New Jobs Credit underused?
- Does the New Jobs Credit encourage job creation?

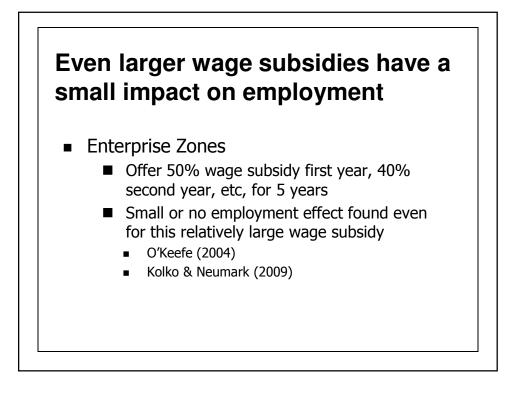


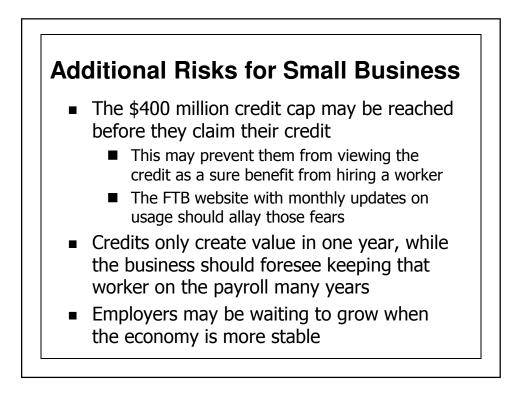


<ul> <li>Jobs Creat</li> </ul>	ed and Lost in Ca	alifornia
	20% of job creation and usinesses	d job loss occurs at
	Dec 09 – Dec 10	Dec 10 – Dec 11
Net Employment	47,400 lost	320,000 gained
20% Small Business	9,480 lost	64,000 gained
Credits Claimed	4,806 claims	7,677 claims









## References

Bureau of Labor Statistics, Employer Cost for Employee Compensation <u>http://www.bls.gov/news.release/ecec.nr0.htm</u>

Franchise Tax Board https://www.ftb.ca.gov/businesses/New\_Jobs\_Credit.shtml

O'Keefe (2004) Job creation in California's enterprise zones: a comparison using a propensity score matching model. <u>Journal of</u> <u>Urban Economics</u>, Elsevier, vol. 55(1), pages 131-150,

Kolko and Neumark (2009). Do California's Enterprise Zones Create Jobs? Public Policy Institute of California <u>http://www.ppic.org/main/publication.asp?i=742</u>