

D HHTC Certificate

The HHTC Certificate is to be completed by a continuum of care, or a community-based service provider that is connected to the local coordinated entry system or to a local Homeless Management Information System to certify that the eligible individual is homeless or has received supportive services from a homeless services provider, as defined under R&TC Section 17053.80 and 23629. A HHTC certificate shall expire one year after date of issuance. For more information go to ftb.ca.gov and search for [hhtc](#).

E Tentative Credit Reservation

A qualified taxpayer is required to obtain a tentative credit reservation from FTB for the eligible individual. The qualified taxpayer must get the reservation within 30 days of hire or within 60 days of an eligible individual receiving a new certification. The qualified taxpayer must obtain the tentative credit reservation through an online system that is available on FTB's website. For more information, go to ftb.ca.gov and search for [hhtc](#).

F Limitations

The qualified taxpayer must reduce any wage deduction claimed on their income tax returns by the amount of the HHTC allowed for the taxable year, including any credit carried forward to future years.

S corporations may claim only 1/3 of the credit against the 1.5% entity level tax (3.5% for financial S corporations). The remaining 2/3 must be disregarded and may not be used as a carryover. S corporations can pass through 100% of the credit to their shareholders.

If a qualified taxpayer owns an interest in a disregarded business entity [a single member limited liability company (SMLLC) not recognized by California, and for tax purposes is treated as a sole proprietorship owned by an individual or a branch owned by a corporation], the usable credit amount received from the disregarded entity is limited to the difference between the qualified taxpayer's regular tax figured with the income of the disregarded entity, and the qualified taxpayer's regular tax figured without the income of the disregarded entity.

Get Form 568, Limited Liability Company Tax Booklet, for more information.

This credit cannot reduce the regular tax below the minimum franchise tax (corporations and S corporations), the annual tax (limited partnerships, limited liability partnerships, and LLCs classified as a partnership), the alternative minimum tax (corporations, exempt organizations, individuals, and fiduciaries), the built-in gains tax (S corporations), or the excess net passive income tax (S corporations).

This credit cannot reduce regular tax below the tentative minimum tax. Get Schedule P (100, 100W, 540, 540NR, or 541), Alternative Minimum Tax and Credit Limitations, for more information.

G Assignment of Credits

Assigned credits to affiliated corporations – Credit earned by members of a combined reporting group may be assigned to an affiliated corporation that is an eligible member of the same combined reporting group. A credit assigned may only be claimed by the affiliated corporation against its tax liability. For more information, get form FTB 3544, Assignment of Credit, or go to ftb.ca.gov and search for [credit assignment](#).

H Carryover

If the available credit exceeds the current year tax liability or is limited by tentative minimum tax, the unused credit may be carried over for three years or until the credit is exhausted, whichever occurs first.

Example of the HHTC Calculation

ABC Company hired Jane Smith who was receiving homeless services. ABC Company received the HHTC certificate for Jane through a certifying organization and a tentative credit reservation from FTB as required.

During the taxable year 2022, Jane worked a total of 580 hours. ABC Company utilized Worksheet 1 on the next page to determine the total

HHTC amount as follows: ABC Company enters Jane Smith in Line 1, column (a) and enters the quantity of 580 in Line 1, column (b). ABC Company uses the Credit amounts chart to look up the amount for the 580 hours for the taxable year. The credit amount of \$2,500 is entered in Line 1, column (c).

If Jane was the only eligible individual ABC Company hired for the taxable year, then ABC Company can claim \$2,500. This amount is entered on Worksheet 1, line 2 as the Total HHTC and is then carried over to Part I, line 1 of form FTB 3831. If ABC Company had more than one eligible individual for the taxable year, ABC Company repeats the steps listing and determining the credit amount for each eligible individual, then adds all the amounts in column (c), and enters the total on Worksheet 1, line 2 and on Part I, line 1 of form FTB 3831. This amount cannot exceed \$30,000 per taxable year.

Specific Line Instructions

Name(s) as shown on your California tax return – Enter the name of the individual or business and the social security number (SSN), individual tax identification number (ITIN), California corporation number, federal employer identification number (FEIN), or the California Secretary of State (SOS) file number as shown on your tax return.

Name of taxpayer generating the credit – Enter the name of the taxpayer that generated the tax credit. Also, enter the SSN, ITIN, California corporation number, FEIN, or the California SOS file number of the taxpayer in the space provided. Complete this section even if it is the same taxpayer that appears on the California return. **Do not** enter the word "same."

Answer Question A

Corporations, exempt organizations, sole proprietors, estates, trusts, and partnerships generating the credit, complete Question A. Investors of pass-through entities, check the "No" box for Question A and start on line 2.

Question A – A Qualified taxpayer is required to obtain a tentative credit reservation from the FTB for each eligible individual. Only claim a credit for an eligible individual which you obtained a tentative credit reservation. For more information, see General Information E, Tentative Credit Reservation.

Part I Available Credit

Line 1 – Credit amount

Enter the credit amount for taxable year 2022. Use Worksheet 1 to determine the total credit amount for all eligible individuals based on the actual hours worked in the taxable year.

If you do not have a tentative credit reservation for an eligible individual, you cannot claim the credit for that individual.

Line 2 – Pass through credit from Schedule K-1 (100S, 541, 565, or 568)

Enter the total amount of credits received from an S corporation, estate, trust, partnership or LLC classified as a partnership. An attached statement to your Schedule K-1 should include the allocable share of the credit. In addition, attach a statement to form FTB 3831 showing the names and identification numbers of the entities from which the credits were passed through or allocated to you.

Line 3 – Credit carryover from prior years

Not applicable for the 2022 taxable year.

Line 5a – Credit claimed

Do not include assigned credits claimed on form FTB 3544, Part B, List of Assigned Credit Received and/or Claimed by Assignee.

This amount may be less than the amount on line 4 if your credit is limited by your tax liability. For more information, see General Information F, Limitations, and refer to the credit instructions in your tax booklet. Enter the total HHTC claimed amount on this line and on your current tax return. **Use credit code 244.** Refer to the credit instructions in the tax booklet for your tax return for more information.

Line 5b – Total credit assigned

Corporations that assign credit to other corporations within the same combined reporting group must complete form FTB 3544, Part A, Election to Assign Credit Within Combined Reporting Group. Enter the total amount of credit assigned from form FTB 3544, Part A, column (g) on this line.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection – Aviso de Privacidad del Franchise Tax Board sobre la Recaudación. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

Credit amounts

A qualified taxpayer shall be allowed a credit for each eligible individual based on the actual hours worked in the taxable year. The total credit amount is up to \$30,000 per qualified taxpayer.

Actual Hours Worked (in the taxable year by the eligible individual)	Credit Amount
0 - 499	\$0
500 - 999	\$2,500
1000 - 1499	\$5,000
1500 - 1999	\$7,500
2000 or more	\$10,000

Worksheet 1

Do not attach to form FTB 3831. Keep for your records. All eligible individuals listed in this worksheet must have a tentative credit reservation.

	(a) Eligible Individual	(b) Actual Hours Worked (in the taxable year)	(c) Amount of Credit (See chart above to determine the amount)
1			
2	Total HHTC. Add the amounts in column (c). Enter the smaller of the sum or \$30,000 here and on form FTB 3831, Part I, line 1.		.00