



Money
Network

Middle Class Tax Refund (MCTR)

Legal Aid Society of San Diego

March 2023

PREPAID
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
Mail Services, Inc.



Middle Class
Tax Refund

4000

4000 1234 5678 9010

VALUED
VALUED

CARDHOLDER
CARDHOLDER

DEBIT
VISA

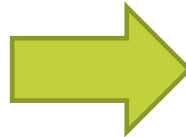
BACKGROUND ON CA LEGISLATION

- On June 30th, 2022, Gov. Newsom signed the FY 2022-2023 CA State Budget, where he allocated \$308 billion dollars to help 23 million Californians to help deal with inflation, state needs, build on reserves and invest for future projects.
- This budget for the 2nd year in a row was signed under an economic surplus, which typically allows for more legislation and investment projects to happen, the hope is that some of this legislation helps counteract inflation, socioeconomic and political constraints at the state, national and international level.
- Some of the most notable legislation happened with additional assistance to various social causes including healthcare, reproductive rights, mental health programs, homelessness prevention, education expansion, increased public safety, infrastructure and energy programs. **For this presentation, we will focus on describing the key legislation that happened with taxation, Middle Class Tax Refund (MCTR).**
- It's important to remember that government policies often take time to be implemented, as it is not just about what is approved by the Legislature and signed by the governor, but what would be the functioning structure around it. Thus, it's good to think about these laws becoming implemented over time, and they might be temporary in nature.



MIDDLE CLASS TAX REFUND (MCTR)

- **Middle Class Tax Refund** is a one-time relief payment for qualified state personal income tax filers to deal with inflation and other economic issues.
- Consensus of gas tax, vehicle rebate and GSSIII immediate ideas for economic relief, passed by CA State Assembly and Senate, signed by Gov. Newsom on June 30th, 2022, part of the CA State budget for FY 2022-2023.
- Under Better for Families Act, **\$9.5 billion dollars in this relief will help 17.5 million Californians**. Part of the \$17 billion fiscal help program helping individuals, small businesses and non-profits.
- Payments expected to get to CA taxpayers **by end of October 2022 and end by middle of January, later postponed until mid-February 2023**.



Eligibility requirements

- Filed your CA 2020 tax return by October 15th, 2021. **(ITIN holders who didn't receive their specific number by this date, but filed their TY 2020 tax return by 02/15/22 will qualify)**
- Earned wages during TY 2020 tax year (not available for those who only receive SSI or supplemental income)
- Meet the California adjusted gross income (CA AGI) amounts of \$1-\$500,000, for Single, HOH, SS and MFJ
- Have been a California resident for 6 months or more in 2020 calendar year
- Can NOT be claimed as a dependent on the 2020 tax return
- Be a California resident on the date this payment is issued

MIDDLE CLASS TAX REFUND PAY MECHANISM

1) If you have TY 2020 AGI earnings (line 17 on form 540, line 16 on form 540EZ) and meet filing status below:



Single			Head of Household (HOH) and Surviving Spouse			Joint Returns (MFJ)		
AGI on CA TY 2020 return	MCTR Payment (No Dependent)	MCTR Payment (1+ Dependent)	AGI on CA TY 2020 return	MCTR Payment (No Dependent)	MCTR Payment (1+ Dependent)	AGI on CA TY 2020 return	MCTR Payment (No Dependent)	MCTR Payment (1+ Dependent)
\$75,000 or less	\$350	\$700	\$150,000 or less	\$350	\$700	\$150,000 or less	\$700	\$1,050
\$75,001-\$125,000	\$250	\$500	\$150,001-\$250,000	\$250	\$500	\$150,001-\$250,000	\$500	\$750
\$125,001-\$150,000	\$200	\$400	\$250,001-\$500,000	\$200	\$400	\$250,001-\$500,000	\$400	\$600

Annotations: A box labeled "Upper limit per family" points to the \$1,050 value for MFJ filers with AGI up to \$150,000. A box labeled "Bonus" points to the \$600 value for MFJ filers with AGI between \$250,001 and \$500,000.

Income level specifications (for about 17.4 million tax filers):

Tier 1- For Single, HOH, SS & MFJ, income up to \$75,000/\$150,000

- Help 14.2 million tax filers (\$350 per tax filer, if tax filer has 1+ dependent \$350 additional)

Tier 2-For Single, HOH, SS & MFJ, income above Tier 1, but below \$125,000/\$150,000

- Help 2.1 million tax filers (\$250 per tax filer, w/ 1+ dependent \$250 additional)

Tier 3-For Single, HOH, SS & MFJ, income above Tier 2, but below \$250,000/\$500,000

- Help 1.1 million tax filers (\$200 per tax filer, w/1+dependent \$200 additional)

Any taxpayers above these levels, about 500,000 tax filers **would NOT** receive a MCTR)

MIDDLE CLASS TAX REFUND (MCTR) MECHANISM

2) Then, you would receive MCTR from **end of October 2022** until **middle of January 2023** either as:



Direct Deposit

If option selected on TY 2020 CA tax return

OR

Debit Card

If made payment or asked to get a refund paper check instead on TY 2020 CA tax return

In the meantime,

- As you can see, you don't have to do anything to get this MCTR, other than having filed your TY 2020 CA tax return by the deadline.
- Keep checking bank account around timeframe (end of Oct. 2022-middle of February 2023), the refund name should be related to FTB.
- Check out [FTB MCTR Estimator](#) and [MCTR page](#) for more information, **can also call FTB at: 1 (800) 852-5711.**

MIDDLE CLASS TAX REFUND (MCTR) CALENDAR

Direct Deposit

Recipients	Payment issue date
GSS I or II direct deposit recipients	10/07/22 through 10/25/22
Non-GSS recipients who meet direct deposit requirements	10/28/22 through 11/14/2022

Debit cards

Recipients	Debit card mailing timeframe
GSS I or II check recipients (last name beginning with A – E)	10/24/2022 through 11/05/2022
GSS I or II check recipients (last name beginning with F – M)	11/06/2022 through 11/19/2022
GSS I or II check recipients (last name beginning with N – V)	11/20/2022 through 12/03/2022
GSS I or II check recipients (last name beginning with W – Z)	12/04/2022 through 12/10/2022
Non-GSS recipients (last name beginning with A – L)	12/05/2022 through 12/17/2022
Non-GSS recipients (last name beginning with M – Z)	12/19/2022 through 12/31/2022
Direct deposit recipients who have changed banking information since filing their 2020 tax return	12/17/2022 through 01/14/2023
Debit card recipients whose address has changed since filing their 2020 tax return	01/30/2023 through 02/14/2023

MIDDLE CLASS TAX REFUND (MCTR) 2023 UPDATES

- FTB says that about 90% of the payments will be sent by Oct. and 95% by end of the year.
- Est. 23 million CA taxpayers will benefit w/ MCTR 😊! W/ dependents, over 30 million have benefitted.
- As of January 2023, there have been issued:

Direct Deposits-7,020,930

Debit Cards-9,112,953

Currently, close to \$8.8 billions have been paid off to Californians.

- The last MCTR payment sent by debit card to TY 2020 CA recipients is: 2/14/23, please call FTB-MCTR for more info!
- For more info, check [MCTR](#), and our YouTube videos w/ SDLL [New CA Legislation](#), Español- [Nuevas Leyes de CA](#)

Helpful Tips against Fraud

- Activate your card over the phone and open a Money Network online account to keep track of balance.
- To the extent possible, transfer funds to your bank, it's FREE!
- Be aware of physical and online places where you shop.
- Report weird transactions to FTB-MCTR, over phone or [MCTR payment](#) chat feature.
- Funds for MCTR expire after 3 years on April 26th, 2026, **so use or lose them funds 😊!**

Important Contact Info-Tax

File Taxes

Dial 211

Check out United Way of San Diego Website –www.uwsd.org

Dreams for Change (Selected Mall locations)

Kearney Mesa location ONLY

Interfaith Community Services (North County)

(760) 489-6380

South Bay Community Services

(619) 420-3620

MAAC project (ITIN Apps/Renewals until June 2022)

Tax Issues

Legal Aid Society of

San Diego

1-877-534-2524

IRS Taxpayer Assistance Center

880 Front St., San Diego, CA 92101

- (Must have picture ID)
- By appointment only, please call: 844-545-5640

Taxpayer Advocate Service

1-877-ASK-TAS1

Refunds & EIP

IRS Returns Help Line

1 (800) 829-1040

IRS EIP Help

1 (800) 919-9835

FTB GSSI-II Help

1 (800) 852-5711

FTB MCTR Q&A

Customer Support (M-F, 8-5PM)

1 (800) 542-9332

Debit card Q's 24/7

1 (800) 240-0223

Chat (M-F, 8-5PM)/ Online Help

mctrpayment.com