Attach to your California tax return.		
Name(s) as shown on your California tax return	SSN or ITIN CA Corporation	no. 🗌 FEIN
	California Secretary of State (SOS) file number	
Part I Licensee Information. See instructions.		
A. Business name as it appears on the license issued by the California Department of Cannabis Control (DCC)	):	
B. License number:	.•	
Part II Credit Computation. Complete line 1 or line 2 but not both. See instructions.		
1 Credit amount. This credit amount is limited to \$10,000	. 1	00
2 Pass-through credit from Schedule K-1 (100S, 541, 565, or 568)	2	00
3 Credit carryover from prior year(s)	3	00
4 Total available credit. Add line 1 through line 3	• 4	00
5 a Credit claimed. Enter the amount of the credit claimed on the current year tax return. (Do not include any assigned credit claimed on form FTB 3544, Part B.)	● 5a	00
<b>b</b> Total credit assigned. Enter the total amount from form FTB 3544, Part A, column (g). If you are not a corporation, enter 0	• 5b	00
6 Credit carryover available for future years. Add line 5a and line 5b, subtract the result from line 4	• 6	00

#### What's New

TAXABLE YEAR

2023

**Cannabis Equity Tax Credit** – For taxable years beginning on or after January 1, 2023, and before January 1, 2028, a Cannabis Equity Tax Credit (CETC) is available to equity licensees that have received approval, including approval contingent upon the availability of funds, for the fee waiver and deferral program administered by the California Department of Cannabis Control (DCC). The allowable credit is \$10,000 per taxable year for each qualified taxpayer. Unused credit may be carried forward up to eight years. All types of entities, except for exempt organizations, are eligible to claim this credit. For more information, see California Revenue and Taxation Code (R&TC) Section 17053.82 or 23682, or go to **ftb.ca.gov** and search for **cetc**.

**Cannabis Equity Tax Credit** 

## **General Information**

#### A Purpose

Use form FTB 3821, Cannabis Equity Tax Credit, to calculate and report allowable credit for a qualified taxpayer.

Also, shareholders, beneficiaries, partners, or members should use form FTB 3821 to claim pass-through Cannabis Equity Tax Credit received from an S corporation, estate, trust, partnership, or limited liability company (LLC) classified as a partnership.

Pass-through entities (PTE) including S corporations, estates, trusts, partnerships, and LLCs classified as partnerships should complete form FTB 3821 to report the amount of credit that will be passed through to shareholders, beneficiaries, partners, or members. Attach this form to the applicable Form 100S, California S Corporation Franchise or Income Tax Return; Form 541, California Fiduciary Income Tax Return; Form 565, Partnership Return of Income; or Form 568, Limited Liability Company Return of Income. Report the pass-through credit amount for each shareholder, beneficiary, partner, or member on Schedule K-1 (100S, 541, 565, or 568), Share of Income, Deductions, Credits, etc. Also, PTEs report the California Cannabis Business License number of the PTE on a statement attached to the Schedule K-1 for each shareholder, beneficiary, partner, or member.

CALIFORNIA FORM

3821

## **B** Qualified Taxpayer

A qualified taxpayer for purposes of the CETC means an equity licensee that has received approval, including approval contingent upon the availability of funds, for the fee waiver and deferral program administered by the DCC. The fee relief approval must be for the license period that begins during the taxable year.

## **C** Limitations

The nonrefundable CETC is limited to \$10,000 per taxable year for each qualified taxpayer. The CETC is available for taxable years beginning on or after January 1, 2023, and before January 1, 2028.

This credit cannot reduce regular tax below tentative minimum tax.

# **D** 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 a 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**.

#### E 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 eight taxable years or until the credit is exhausted, whichever occurs first.