

Legislative Update PowerPoint

Franchise Tax Board Meeting
Wednesday, October 7, 2026

Slide 1: Legislative Update

Jessica Deitchman – Finance and Executive Services Division
October 7, 2026

Slide 2: Budget Trailer Bills

Senate Bill (SB) 122 Provisions

1. Modified the business tax credit limitation and annual refundable credit election period
 2. Makes the business credit limitation permanent starting January 1, 2030
 3. Allows a 1st year reduction of Annual Tax to \$400
- Slide 3: Accounting Systems
Business Rules Extraction

Slide 3: Budget Trailer Bills

Senate Bill (SB) 180 Provisions

1. California Competes Tax Credit Extension
2. Allows 530A accounts to roll over to (ABLE) Achieving a Better Life Experience accounts
3. Generally conforms to the federal treatment of 530A accounts

Slide 4: Update to Assembly Bill (AB) 1519

- Updated revenue impact – approximately \$100,000 per year
- Updated Administrative cost – zero
- Current status of bill

Slide 5: Refundable Credits and Voluntary Contributions

- Refundable Credits
 - AB 2319 Motion Picture Post Production
 - AB 2222 Local New Hiring Credit
- Voluntary Contributions
 - AB 611 California Spinal Cord Injury Research Voluntary Tax Contribution Fund
 - SB 575 California Sea Otter Voluntary Tax Contribution Fund
 - SB 881 Emergency Food for Families Voluntary Tax Contribution Fund
 - SB 1073 Black Cultural District Voluntary Tax Contribution Fund

Slide 6: Questions?

Slide 10: Public Comment