



Short Form Analysis

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Sponsor:

Bill Number: AB 2084

Amended: April 20, 2026

SUBJECT

Federal Tax Exemption Revocation

- Technical Amendment

SUMMARY

This bill would, under the Corporate Tax Law, upon an organization's notification of a federal suspension or revocation, allow the Franchise Tax Board (FTB) the discretion to retain an organization's state exempt status under certain circumstances for taxable years beginning on or after January 1, 2027.

ANALYSIS

The April 20, 2026, amendments modified the bill to clarify the FTB's discretion would only apply to organizations exempt from tax pursuant to Section 501(c)(3) of the Internal Revenue Code. In addition, the amendments modified the bill to clarify that the FTB has the authority to prescribe any regulations or procedures necessary to implement the evaluation process for Section 501(c)(3) exemption organizations to comply with the provisions in this bill.

The amendments resolved two of the technical considerations and part of the policy consideration discussed in the FTB's analysis of the bill as amended on March 27, 2026, leaving two technical considerations and part of the policy consideration unresolved. Otherwise, the FTB's analysis of this bill as amended on March 27, 2026, still applies.

LEGISLATIVE CONTACT

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