



Short Form Analysis

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Sponsor:

Bill Number: AB 2205

Amended: March 18, 2026

SUBJECT

Extend the New Employment Credit

- Technical Amendment

SUMMARY

This bill, under the Personal Income Tax Law and the Corporation Tax Law, would extend the sunset date for the New Employment Credit for five years to taxable years beginning before January 1, 2031, and the repeal date to December 1, 2034. This bill would also extend the exemption from the designated census tract or economic development area requirements for taxpayers in specified industries, who self-certify and provide verification, as specified, for five years to taxable years beginning before January 1, 2031.

ANALYSIS

The March 18, 2026, amendments aligned the reporting requirement with the current March 1st reporting requirement and resolved the implementation consideration and one of the two technical considerations discussed in the Franchise Tax Board's (FTB) analysis of the bill as introduced February 19, 2026. With the exception of the addressed considerations, the FTB's analysis of this bill as introduced February 19, 2026, still applies.

LEGISLATIVE CONTACT

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