



Short Form Analysis

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Sponsor:

Bill Number: SB 1120

Amended: April 13, 2026

SUBJECT

Extended California Competes Tax Credit (CA Competes Credit) and Refundability for Strategic Industries

- Technical Amendment

SUMMARY

This bill would, under the Personal Income Tax Law and Corporation Tax Law, extend the existing credit through taxable years beginning before January 1, 2035, and would allow a taxpayer in a strategic industry to elect to make their CA Competes Credit refundable for taxable years beginning on or after January 1, 2026, and before January 1, 2035. The bill would also require the Governor's Office of Business and Economic Development (GO-Biz) to inform the Franchise Tax Board if a taxpayer in a strategic industry has made an election for the credit to be refundable and would extend the GO-Biz credit allocation period to fiscal year 2032-33.

ANALYSIS

The April 13, 2026, amendments made clarifying administrative changes that resolved all technical considerations discussed in the FTB's analysis of the bill as amended on March 26, 2026. However, the one implementation consideration and four policy considerations discussed in that prior analysis remain applicable. Except for these changes, the analysis of SB 1120 as amended on March 26, 2026, still applies.

LEGISLATIVE CONTACT

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