STATE OF CALIFORNIA
Franchise Tax Board

Short Form Analysis

Author: Senate Committee on Revenue and Taxation | Sponsor: | Bill Number: SB 1435

Amended: June 22, 2026

SUBJECT

Specified Date Code Maintenance/Conformity 2025

- Technical Amendment

SUMMARY

For all sections of the bill, the amendments are based on SB 711 (Chapter 231, Statutes of 2025), which changed the Revenue and Taxation Code's (RTC) general "specified date" of conformity to the Internal Revenue Code (IRC), from January 1, 2015, to January 1, 2025, for taxable years beginning on or after January 1, 2025. This bill, as specified in Section 46, would provide that the provisions of the bill also apply to taxable years beginning on or after January 1, 2025, unless otherwise provided.

ANALYSIS

Provision No. 1 – Code Maintenance (Sections 1, 3-9, 11-24, 26-45, and 47 of the Bill)

The June 22, 2026, amendments inserted a new Section 31 and renumbered Sections 31 through 46 to Sections 32 through 47.

Provision No. 5 – Special Rules for Withholding on Dispositions of Partnership Interests (Section 31 of the Bill)

The June 22, 2026, amendments added Section 31 of the bill to modify RTC section 18666 to specifically not conform to the changes made under the Tax Cuts and Jobs Act (Public Law 115-97, Section 13501(b)) to Section 1446(f) of the IRC relating to special rules for withholding on dispositions of partnership interests.

Except for these changes, the analysis of SB 1435 as amended on April 23, 2026, still applies.

LEGISLATIVE CONTACT

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