



STATE OF CALIFORNIA
Franchise Tax Board

Short Form Analysis

Author: Grove and Alanis

Sponsor:

Bill Number: SB 566

Amended: May 1, 2025

SUBJECT

Renter's Credit Increase

SUMMARY

This bill would, under the Personal Income Tax Law, for taxable years beginning on or after January 1, 2026, increase the Renter's Credit for taxpayers who are 62 years of age or older. It would also, under the Revenue and Taxation Code (RTC), increase the homeowner's property tax exemption to \$50,000 for a homeowner who is 62 years of age or older.

ANALYSIS

The May 1, 2025, amendments added a coauthor and RTC section 41 reporting requirements that would require the Franchise Tax Board (FTB) to provide a report to several committees within the legislature on the performance of the credit, no later than May 1, 2027, and each May 1 thereafter. The report would be required to include the number of taxpayers who utilized the credit, and the average dollar amount of credits claimed.

The FTB's analysis of this bill as introduced February 20, 2025, still applies, including the identified technical consideration and the policy consideration.

In addition, the May 1 amendments created an implementation consideration in that the bill would require the FTB to prepare a report on the performance of the credit allowed by this bill no later than May 1, 2027. If the author's intent is to review a report that contains complete information for the 2026 taxable year, it is recommended that the reporting due date be extended to May of 2028. This date allows time for the FTB to complete processing of personal income tax returns, who may file as late as October 15, 2027, and prepare the report. If the reporting due date remains unchanged, the report would include the information available as of six months prior to the date the report is due.

LEGISLATIVE CONTACT

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