STATE OF CALIFORNIA
Franchise Tax Board

Short Form Analysis

Author: Umberg, et al. | Sponsor: | Bill Number: SB 883

Amended: July 2, 2026

SUBJECT

Gross Income Exclusion for GKN Aerospace Manufacturing Chemical Leak

- Nonsubstantive Amendments

SUMMARY

This bill would, under the Personal Income Tax Law, create an income exclusion for settlement amounts received by a qualified taxpayer for claims relating to the May 2026 chemical incident at the GKN Aerospace manufacturing facility for taxable years beginning on or after January 1, 2026. This bill would also amend the Government Code (GOV) and the Health and Safety Code (HSC) for other changes unrelated to this income exclusion.

The Franchise Tax Board's (FTB) analysis of the bill as amended on June 18, 2026, only addressed the provisions of the bill that would impact the FTB' program or operations.

ANALYSIS

The July 2, 2026, amendments added coauthors and modified the provisions impacting the GOV and the HSC, unrelated to the provisions impacting the FTB. The FTB's analysis of this bill as amended June 18, 2026, including the various identified considerations, still applies.

LEGISLATIVE CONTACT

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