CONCURRENCE IN SENATE AMENDMENTS
AB 2186 (McKinnor)
As Amended June 16, 2026
Majority vote

SUMMARY

Allows, for taxable years beginning on or after January 1, 2028, and before January 1, 2033, a gross income exclusion for reparations benefits or payments, as specified.

Senate Amendments

1) Delay the operative window of the gross income exclusion to taxable years beginning on or after January 1, 2028, and before January 1, 2033.

2) Define a "reparations program" to mean any federal, state, local, tribal, or territorial government program, commission, task force, or other governmental initiative established to provide monetary compensation, benefits, restitution, rehabilitation, satisfaction, guarantees of nonrepetition, or other forms of redress for past or ongoing harms, discrimination, injustice, or inequitable treatment suffered by a defined group of individuals, including, but not limited to, descendants of enslaved persons, incarcerated persons, or members of a protected class.

3) Delay the sunset date to December 1, 2033.

COMMENTS

What would this bill do? This bill would, for taxable years beginning on or after January 1, 2028, and before January 1, 2033, exclude from gross income any reparations benefit, or payment received by a taxpayer during the taxable year. This bill defines such payments, in turn, to include any monetary payment, grant, trust distribution, debt forgiveness, or other financial compensation provided to an individual via the following:

1) A statute enacted by the state establishing a reparations program;

2) A local government ordinance, resolution, settlement, or program establishing a reparations program; or,

3) A federal statute, regulation, settlement, or federally administered reparations program.

According to the Author
The author has provided the following statement in support of this bill:

> AB 2186 ensures that reparations payments provided through state, local, or federal programs are excluded from California personal income tax for taxable years [2028] through 2032. For centuries, descendants of formerly enslaved people and other communities harmed by systemic injustice have been denied economic redress for historic wrongs. Without a statutory exclusion, these payments could be reduced by state taxes, undermining their purpose and sending the wrong message about justice and repair. By explicitly excluding reparations benefits from gross income, AB 2186 guarantees that recipients receive the full

value of these payments, provides certainty for tax administration, and affirms the state's commitment to ensuring reparations serve as meaningful compensation.

Arguments in Support
Supporters of this bill note the following:

> Reparations are designed to provide meaningful redress for the documented harms of slavery, racial terror, and state-sanctioned discrimination that have compounded generational wealth gaps for descendants of formerly enslaved people. Subjecting these payments to state income tax would undermine that purpose, clawing back a portion of compensation that recipients have long been owed. AB 2186 closes that gap by ensuring that reparations payments serve their intended function: direct, full economic relief.

Arguments in Opposition
None on file

FISCAL COMMENTS

According to the Senate Committee on Appropriations:

> The Franchise Tax Board (FTB) estimates for every $1 million in reparations payments received, the revenue loss would be $63,000 (General Fund). FTB's implementation costs would be minor and absorbable.

VOTES:

ASM REVENUE AND TAXATION: 5-2-0
YES: Gipson, Carrillo, McKinnor, Quirk-Silva, Michelle Rodriguez
NO: Sanchez, DeMaio

ASM APPROPRIATIONS: 11-4-0
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Hoover, Dixon, Ta, Tangipa

ASSEMBLY FLOOR: 58-17-5
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NO: Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis
ABS, ABST OR NV: Flora, Lackey, Muratsuchi, Patel, Celeste Rodriguez

UPDATED

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