

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2222 (Ward) – As Amended April 22, 2026

Policy Committee: Revenue and Taxation Vote: 5 - 2

Urgency: No State Mandated Local Program: No Reimbursable: No

**SUMMARY:**

This bill allows a refundable tax credit to a local news organization for the hiring and retention of qualifying journalists.

Specifically, this bill:

- 1) Allows, for taxable years beginning on or after January 1, 2027, and before January 1, 2032, a credit under the Personal Income Tax (PIT) and Corporation Tax (CT) Laws to a qualified taxpayer (local news organization), equal to \$20,000 for each of the first five qualifying journalists employed by the taxpayer and \$15,000 for each subsequent qualifying journalist employed by the taxpayer, as well as a credit of \$15,000 for each qualifying journalist in a new journalism position.
- 2) Provides that the credits are refundable and requires the balance be paid from the Tax Relief and Refund Account or the Corporation Tax Fund, thus making appropriations from continuously appropriated funds.
- 3) Declares the goal and performance indicators for the new tax expenditures and requires the Franchise Tax Board (FTB) to submit an annual report to the Legislature with certain tax credit data.

**FISCAL EFFECT:**

- 1) General Fund (GF) revenue loss of approximately \$22 million in fiscal year (FY) 2026-27, \$50 million in FY 2027-28, and \$49 million in FY 2028-29.

By reducing state PIT and CT revenue, this bill also likely decreases Proposition 98 GF spending by approximately 40% of the revenue loss (the exact amount depends on the operative test of the annual Proposition 98 guarantee).

- 2) Costs of an unknown amount to the FTB to administer the refundable credit and report related data to the Legislature (GF).

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

**COMMENTS:**

1) **Purpose.** According to the author:

AB 2222 provides targeted relief to local news organizations by creating a refundable tax credit tied directly to the employment of journalists. By helping offset the cost of retaining and hiring reporters, photographers, editors, and other newsroom staff, this bill aims to stabilize local news outlets and encourage greater investment in original reporting that serves California communities.

This bill is sponsored by Rebuild Local News and supported by other journalism associations and media guilds.

2) **Journalism in a Digital World.** As the underlying business realities of news media have changed in today's digital world, so too have the organizational forms of publications themselves. Without the barriers to entry posed by large printing and distribution requirements, the internet has enabled smaller publications to reach large audiences. Additionally, there is a growing recognition that local newsgathering and reporting constitutes a public good, driving some publications to reorganize as tax-exempt nonprofit corporations or start as new organizations altogether. This bill provides a PIT or CT credit to certain local news organizations for each journalist employed and makes the credit refundable to ensure tax-exempt organizations also benefit from the credits.

3) **Prior Legislation.** SB 1327 (Glazer), of the 2023-2024 Legislative Session, would have allowed a PIT or CT credit to a qualified taxpayer who pays or incurs costs for qualified services related to local news media. SB 1327 was referred to, but not heard by, the Assembly Revenue and Taxation Committee.

AB 886 (Wicks), of the 2023-2024 Legislative Session, would have established the California Journalism Preservation Act to require a covered digital platform to remit a journalism usage fee to an eligible digital journalism provider and required the provider to spend at least 70% of the fee on journalists and support staff. AB 886 was referred to the Senate Rules Committee without further action.

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