

# SENATE BILL SB-5

Introduced by Senator Roger Niello (R-6)

***An act relating to This bill will enable taxpayers within the state of California to receive a tax credit based on income. This bill aids to benefit middle class to upper middle class families by giving a base \$1,000 dollar credit plus a child multiplier..***

## LEGISLATIVE COUNSEL'S DIGEST

***SB-5, Roger Niello (R-6). This bill will enable taxpayers within the state of California to receive a tax credit based on income. This bill aids to benefit middle class to upper middle class families by giving a base \$1,000 dollar credit plus a child multiplier..***

***This does not change any law but adds a credit for middle class families to receive support.***

***Vote: Majority. Appropriations/fiscal: yes. Local program: no.***

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### SECTION 1. Title.

This bill shall be known as the "Family Tax Relief Act."

### SECTION 2. Findings and Declarations.

The Legislature finds and declares that middle-class families continue to face rising costs of living, and targeted tax relief can improve household financial stability without compromising the state's fiscal position or the state's business tax environment.

### SECTION 3. Middle Class Family Tax Credit.

An income-based tax credit shall be available to California taxpayers with adjusted gross income between:

Single/Head of Household \$70,000-\$120,000

Married Filing Jointly \$80,000-\$200,000

Qualified Surviving Spouse \$80,000-\$200,000

The credit established under this section shall be funded from the General Fund resources specifically appropriated to this subject, subject to annual appropriation,

and shall not be funded through any increase in the corporate franchise tax rate or commercial property tax rate.

No more than \$20,000,000 shall be appropriated to this act every fiscal year

Individuals shall receive the tax credit on a per qualifying child basis

Those with zero qualifying children shall receive a \$1,000 credit

Those with one qualifying child shall receive a \$2,000 credit

Those with two qualifying children shall receive a \$3,000 credit

Those with three or more qualifying children shall receive a \$4,000 credit

The credit shall phase out incrementally for households exceeding the upper income threshold established in this section.

The phaseout rate shall be 5%, for every one dollar of adjusted gross income over the upper threshold, 5 cents shall be removed from the credit

D. This credit shall be available in the taxable years 2027-2029

F. Required Appropriation: \$20 million