SPECIAL EDITION

San Francisco Chronicle

07 OCTOBER 2026

BREAKING NEWS

CALIFORNIA SENATORS INTRODUCE TAX BILLS

HOW WILL THESE TAXES AFFECT SAN FRANCISCO AND BAY AREA RESDIDENTS?

By Kent Clark

On September 30, 2026, all forty California State Senators submitted their bills for the 2026-2027 legislative session. Of all seventy-one bills introduced on Wednesday, six concern tax issues in California which we will dissect today.

Dual-Enrollment Tax Incentive & Excellence Act

Set to be enacted on January 1, 2027, the Dual-Enrollment Tax & Excellence Act, introduced by Senator Choi(a Republican from District 37 - Orange County and Irvine area), would offer families a tax credit if they have a high school student taking community college courses and, to school districts that promote the dual-enrollment route, provide"financial performance incentives."



Though the bill targets the tax credit specifically for technology and textbooks, according to the Public Policy Institute of California, there are over 160,000 students in the state that participate in dual-enrollment programs, 20% of which are in the Bay Area alone. Regardless of income-level, the families of these students would have ensured financial assistance.

> *"THE HARDEST THING IN THE WORLD TO UNDERSTAND IS THE INCOME TAX." – ALBERT EINSTEIN*

Tax Relief & Spending Cap Act

This bill, also introduced by Senator Steve Choi, would restrict property taxes across all 58 districts in the state of California, for both homeowners and renters, to a maximum of 1% ad valorem (according to its worth). Under this act, the value of the property cannot increase more than 2% per year of its assessed value, as long as the property ownership does not change. This bill addresses rising property taxes and lack of affordable housing costs as the result of inflation, which force elderly, long term residents, and people with fixed incomes out of their homes. Enacting in the fiscal year 2027-2028, San Francisco and Bay Area homeowners are expected to save about 9,000 on average if this bill passes.

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Family Tax Relief Act

This act, introduced by Senator Roger Niello(a Republican Senator from District 6 - Sacramento County and other regions area), also aims at tackling the rising cost of living. Senator Niello claims that this bill "can improve household financial stability" without harming California's financial health nor the systems the state enforces on revenue-generating, profit-seeking businesses and organizations.

Under this act, middle class households in California will receive a tax credit based on their adjusted gross income and are eligible for an additional tax credit per qualifying child.

Though Senator Niello's act attempts to treat a growing concern for Californians across the state, it requires $20 million from the states budget. California legislators will have to decide whether this bill is a viable proposal to use so much of the state budget on.

"IN THIS WORLD, NOTHING CAN BE SAID TO BE CERTAIN, EXCEPT DEATH AND TAXES"
— Benjamin Franklin

Veterans Employment Tax Credit Act

Senator Jerry McNerney(a Democrat from District 5 - San Joaquin County and Alameda County area), introduced SB-9 last week, also known as the Veterans Employment Tax Credit Act. This act will give tax credits to qualifying employers who hire veterans for full-time employment.

Additionally, for-profit businesses tend to use tax credits to lower the amount of income tax owed to the government. Under this bill however, non-profits, which make up a significant portion of community and health services in San Francisco, are expected to benefit as well with a maximum tax credit of 5,000.

It is unclear where the funds for this initiative will come from however, the Franchise Tax Board(FTB) and Employment Development Department(EDD) will take responsibility for the procedures that determine who qualifies for the tax credit.

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California Supreme Court Justice

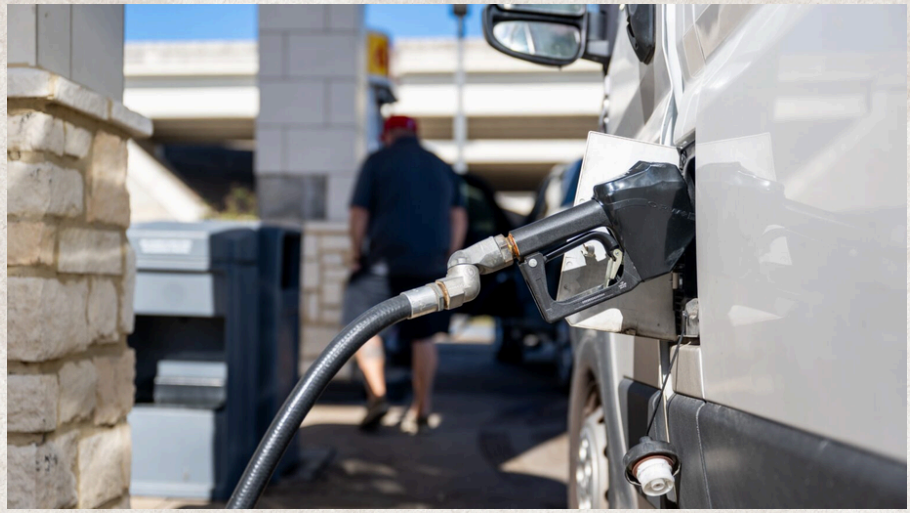


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Elimination of the Increasing Excise Fuel Tax Act

SB-37, introduced by Senator Brian W. Jones(a Republican from District 40 - inland San Diego County area), aims to get rid an indirect tax on fuel that. For reference, California charges a tax on every gallon of gas you buy. In 2017, the state raised that tax by 12 cents, and it also goes up every year on its own to keep up with inflation. Senator Jones bill would cancel the 2017 12-cent tax, set the gas tax at a flat 18 cents per gallon with no more yearly increases, and take away the state's power to raise the tax without it going through legislation first.



While this bill tries to address the increasingly unaffordable gas prices across California, it fails to acknowledge that the Highway Trust Fund and state transportation budgets are directly funded through this fuel excise tax. SB-37 states it would use money from the state's general savings to fund them instead.



Land Value Tax Act

SB-65 from Senator Scott Wiener(a Democrat from District 11 - San Francisco and parts of San Mateo County) argues that owners who hold onto that land next to major transit stop, hoping the lands value goes up, make the housing shortage worse. Under this act, a new yearly tax of 1.5% with be imposed on land that is zoned or sitting vacant, within half a mile of a major transit stop, and “underused," meaning buildings make up less than 25% of the property's total value. Occupied single-family homes, public parks, and property owned by qualifying non-profit organizations would be exempted from this tax. The money from this tax would go to cities, counties, and transit systems. However, it is hard to say whether this bill will be passed by legislatos or not given it asks for $50 million from the General Fund.