



# DAVID TANGIPA

CA STATE ASSEMBLYMEMBER | 8TH DISTRICT



## AB 2427 – Farmer Resilience Tax Credit

### Summary:

AB 2427 establishes a tax credit for California farmers operating 50 or more acres. For taxable years beginning on or after January 1, 2027, and before January 1, 2032, eligible farm owners may claim a credit of up to 25% of qualified labor, infrastructure, equipment, and crop production costs. An additional 5% credit is available for investments in new off-road vehicles that meet specified low-emission standards or for operations located in high or very high fire hazard severity zones.

### Existing Law:

Under the Personal Income Tax Law and the Corporation Tax Law, California authorizes a range of tax credits to incentivize targeted economic activity. Most notably, existing law establishes and funds the California Film and Television Tax Credit Program, through which the state has committed billions of dollars over multiple program extensions to attract and retain film and television production in California. These incentives are designed to offset

production costs, promote job creation, and keep a globally competitive industry anchored in the state.

However, current law does not provide a comparable tax credit aimed at offsetting core operating costs for California's agricultural sector, despite its economic significance and presence in the state.

### Problem:

Every year, California farmers face rising operational costs driven by inflation, labor shortages, regulatory compliance, and increasing wildfire risk. Farmers in our state must regularly invest in labor, infrastructure, equipment, and crop production while also adapting to much stricter environmental standards than other states in the U.S. These financial pressures are especially difficult for operations located in high or very high fire hazard severity zones, where wildfire risk increases costs and uncertainty. Without targeted financial support, these cumulative pressures threaten the long-term viability and



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competitiveness of California's agricultural sector.

**Solution:**

AB 2427 is an investment in California's farmers and in the future of our state's agricultural economy. By helping offset the rising costs of operating a farm, this bill allows producers to reinvest in their operations, protect local jobs, and continue supplying food to communities across California and the nation. With responsible limits and

oversight in place, the program ensures accountability while giving the Legislature the opportunity to measure its success before it sunsets in 2032. Overall, the bill strengthens California agriculture, promotes sustainability, and helps keep the state competitive as the nation's agricultural leader.

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