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AB-27 Personal Income Tax Law: Corporation Tax Law: Chiquita Canyon elevated temperature landfill event: exclusions. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 27

Introduced by Assembly Member Schiavo
(Coauthors: Assembly Members Bennett, Calderon, Hart, and Jackson)
(Coauthors: Senators Allen and Stern)

December 02, 2024

An act to add Sections 17157.5 and 24309.9 to the Revenue and Taxation Code, *and to add Section 10010 to the Welfare and Institutions Code*, relating to ~~taxation, to take effect immediately, tax levy:~~ *taxation*.

LEGISLATIVE COUNSEL'S DIGEST

AB 27, as amended, Schiavo. Personal Income Tax Law: Corporation Tax Law: Chiquita Canyon elevated temperature landfill event: exclusions.

~~The~~

(1) The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally define “gross income” as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income.

This bill, for taxable years beginning on or after January 1, 2024, and before January 1, 2029, would provide an exclusion from gross income for amounts received, on or after March 1, 2024, as compensation for specified costs and losses related to the Chiquita Canyon elevated temperature landfill event in the County of Los Angeles, as provided.

Existing law requires a bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives the tax expenditure will achieve, detailed performance indicators, and data collection requirements.

This bill would include additional information required for any bill authorizing a new tax expenditure.

~~This bill would take effect immediately as a tax levy.~~

(2) Existing law establishes various means-tested public social services programs administered by counties to provide eligible recipients with certain benefits, including, but not limited to, cash assistance under the California Work Opportunity and Responsibility to Kids (CalWORKs) program, nutrition assistance under the CalFresh program, and health care services under the Medi-Cal program.

Existing law requires the State Department of Social Services, subject to an appropriation in the annual Budget Act, to administer the California Guaranteed Income Pilot Program to provide grants to eligible entities for the purpose of administering pilot programs and projects that provide a guaranteed income to participants. Existing law defines an eligible entity, for purposes of the program, as a nonprofit organization, as specified, or a city, county, or city and county.

This bill would, to the extent permitted by federal law, prohibit any Chiquita Canyon elevated temperature landfill event payment amount received by a taxpayer from being considered income or resources when determining eligibility or benefit amounts for any means-tested program or guaranteed income payments, as defined. To the extent that the bill would expand eligibility for programs administered by counties, the bill would impose a state-mandated local program.

(3) This bill would make legislative findings and declarations related to a gift of public funds.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: ~~no~~yes

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

SECTION 1. Section 17157.5 is added to the Revenue and Taxation Code, to read:

17157.5. (a) For taxable years beginning on or after January 1, 2024, and before January 1, 2029, gross income does not include any Chiquita Canyon elevated temperature *landfill* event payment amount received by a taxpayer.

(b) For purposes of this section:

(1) "Chiquita Canyon elevated temperature landfill event" means the elevated temperature landfill event, beginning on May 1, 2022, that occurred beneath the Chiquita Canyon Landfill in the County of Los Angeles, California.

(2) "Chiquita Canyon elevated temperature landfill event payment" means any amount received by a taxpayer on or after March 1, 2024, as compensation for loss, damages, expenses, relocation, suffering, loss in real property value, closing costs with respect to real property, including realtor commissions, or inconvenience, including access to real property, resulting from the Chiquita Canyon elevated temperature landfill event, if the amount was provided by either of the following:

(A) A federal, state, or local governmental agency.

(B) Waste Connections, Inc., any subsidiary, insurer, or agent of Waste Connections, Inc., or any person related to Waste Connections, Inc.

(c) The ~~taxpayer~~ *payor* shall provide, upon request by the Franchise Tax Board, documentation of the Chiquita Canyon elevated temperature *landfill* event payment amount in the form and manner requested by the Franchise Tax Board.

(d) For the purpose of complying with Section 41 in regards to the exclusion provided by this section and Section 24309.9, the Legislature finds and declares as follows:

(1) The specific goal, purpose, and objective of the tax exclusion is to provide essential relief to individuals who have suffered loss, damages, expenses, relocation, suffering, and inconvenience resulting from the Chiquita Canyon elevated temperature landfill event.

~~(2) The performance indicators for the Legislature to use in determining if the exclusion achieves the stated goal, purpose, and objective shall be the number of taxpayers that excluded Chiquita Canyon elevated temperature event payment amounts from gross income, and the aggregate amount of related payments arising out of the Chiquita Canyon elevated temperature landfill event. There is no available data to collect or report with respect to the exclusion.~~

(e) This section shall become inoperative on December 1, 2029.

SEC. 2. Section 24309.9 is added to the Revenue and Taxation Code, to read:

24309.9. (a) For taxable years beginning on or after January 1, 2024, and before January 1, 2029, gross income does not include any Chiquita Canyon elevated temperature landfill event payment amount received by a taxpayer.

(b) For purposes of this section:

(1) "Chiquita Canyon elevated temperature landfill event" means the elevated temperature landfill event, beginning on May 1, 2022, that occurred beneath the Chiquita Canyon Landfill in the County of Los Angeles, California.

(2) "Chiquita Canyon elevated temperature landfill event payment" means any amount received by a taxpayer on or after March 1, 2024, as compensation for loss, damages, expenses, relocation, suffering, loss in real property value, closing costs with respect to real property, including realtor commissions, or inconvenience, including access to real property, resulting from the Chiquita Canyon elevated temperature landfill event, if the amount was provided by either of the following:

(A) A federal, state, or local governmental agency.

(B) Waste Connections, Inc., any subsidiary, insurer, or agent of Waste Connections, Inc., or any person related to Waste Connections, Inc.

(c) The ~~taxpayer~~ *payor* shall provide, upon request by the Franchise Tax Board, documentation of the Chiquita Canyon elevated temperature landfill event payment amount in the form and manner requested by the Franchise Tax Board.

(d) This section shall become inoperative on December 1, 2029.

~~SEC. 3. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.~~

SEC. 3. *Section 10010 is added to the Welfare and Institutions Code, to read:*

10010. *(a) Notwithstanding any other law and to the extent permitted by federal law, a Chiquita Canyon elevated temperature landfill event payment amount received by a taxpayer shall not be considered income or resources for purposes of determining eligibility for benefits, or the amount of benefits, under a means-tested program, including, but not limited to, any of the following:*

(1) Childcare and development programs, as defined in Section 10213.5.

(2) The California Work Opportunity and Responsibility to Kids (CalWORKs) program, as described in Chapter 2 (commencing with Section 11200) of Part 3.

(3) The Kinship Guardianship Assistance Payment (Kin-GAP) Program, as described in Article 4.5 (commencing with Section 11360) of Chapter 2 of Part 3.

(4) The State Supplementary Program (SSP) for Aged, Blind and Disabled, as described in Chapter 3 (commencing with Section 12000) of Part 3.

(5) The Medi-Cal program, as described in Chapter 7 (commencing with Section 14000) of Part 3.

(6) The Adoption Assistance Program (AAP), as described in Chapter 2.1 (commencing with Section 16115) of Part 4.

(7) General assistance programs, as described in Chapter 1 (commencing with Section 17000) of Part 5.

(8) The CalFresh program, as described in Chapter 10 (commencing with Section 18900) of Part 6.

(9) The California Food Assistance Program (CFAP), as described in Chapter 10.1 (commencing with Section 18930) of Part 6.

(10) The Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants (CAPI), as described in Chapter 10.3 (commencing with Section 18937) of Part 6.

(b) Notwithstanding any other law and to the extent permitted by federal law, any Chiquita Canyon elevated temperature landfill event payment amount received by a taxpayer shall not be considered income or resources for purposes of determining eligibility for guaranteed income payments or the amount of those guaranteed income payments.

(c) For purposes of this section, "guaranteed income payments" means unconditional, recurring, regular cash payments, whether publicly or privately funded, that are intended to support the basic needs of eligible recipients, including, but not limited to, payments provided through pilot programs or projects receiving funding from the California Guaranteed Income Pilot Program, as described in Chapter 16 (commencing with Section 18997) of Part 6, or payments provided through locally funded programs.

SEC. 4. *The Legislature finds and declares that the addition of Sections 17157.5 and 24309.9 to the Revenue and Taxation Code by this act serves a public purpose of remedying the burden the Chiquita Canyon elevated temperature landfill event has placed on the residents of the area. Individuals have had to home harden, cover severely high utility bills, suffer new health complications, and potentially relocate as a result of this disaster they did not cause. The moneys received from the Chiquita Canyon Operators is in direct response to that disaster.*

SEC. 5. *If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.*