



OFFICE OF THE GOVERNOR

SEP 30 2026

To the Members of the California State Assembly:

I am returning Assembly Bill 2186 without my signature.

This bill would exclude, from personal and corporate income taxation, any monetary compensation or benefits made pursuant to state or local government reparations programs or federal law intended to correct for past and ongoing harms to a group of people, including the descendants of enslaved or incarcerated persons or other members of a protected class.

I thank the author for her continued work to redress the documented harms of slavery. I was proud to sign into law last year legislation establishing the Bureau for Descendants of American Slavery, a first-in-the-nation law establishing a state agency that, among its key responsibilities, will advise on reparative justice programs for Black Americans. California's work on this important endeavor is just beginning.

However, because the full scope of the proposed tax exclusion is unknown, fiscal caution is warranted. The proposed exclusion for unspecified federal initiatives could be interpreted broadly, resulting in substantial fiscal uncertainty. Moreover, given the potentially significant General Fund implications, this measure should be considered as part of the annual budget process.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

