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Assembly
California Legislature

RICK CHAVEZ ZBUR
DEMOCRATIC CAUCUS CHAIR
ASSEMBLYMEMBER, FIFTY-FIRST DISTRICT

July 10, 2026

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Senate President Pro Tempore Monique Limón
1021 O Street, Suite 8518
Sacramento, CA 95814

Speaker of the Assembly Robert Rivas
1021 O Street, Suite 8330
Sacramento, CA 95814

Dear Governor Newsom, President Pro Tempore Limón and Assembly Speaker Rivas,

We write to bring to your attention the serious risk the caps on business tax credits, included in SB 122, create for jobs in the film and television industry. We understand the budget agreement is in place, but this problem must be fixed before the end of this session, or the economic growth and job creation made possible by the Film & Television Jobs Program (FTJP) that this Legislature wholeheartedly supported last year in AB 1138 (2025) will be significantly kneecapped, and just a year after its critical expansion.

The caps now imposed on business tax credits earned under the FTJP represent a total turnaround in the policy towards film and television productions that this Legislature has enacted since 2013. It creates significant uncertainty for production companies, in terms of when, how and even, if, they will be able to monetize earned tax credits.

The Film and Television Jobs Program legislation that we passed together last year was a groundbreaking expansion of a program that was limiting California's ability to compete for film and television production. It was needed to reverse the loss of over 42,000 jobs between 2022-2024. Enacting AB 1138, coupled with the increase in the annual allocation to $750M, was a critical and much needed step toward bringing back middle-class entertainment industry jobs, including those created by ancillary businesses and tourism, and the tax revenue all three generate. In just nine months (August 2025 through April 2026), the updated program has kept 133 productions here in California, which in turn has generated $5.5 billion in economic activity across the state, created 38,050 cast and crew jobs, and produced 247,934 days of work for background actors.

Now, just one year later, when workers and businesses across the state are finally beginning to see the impact of last year's legislation, SB 122 threatens to completely undermine the program and reverse the forward momentum in its tracks. **SB 122 creates short-term budget savings by**

reneging on commitments made to the entertainment industry and the working families who depend upon it for their livelihoods.

Tax credits earned for creating jobs in motion picture and television production are not the same as tax credits provided for research and development. The Film & Television Jobs Program is a capped, allocated, closely monitored and continuously analyzed, **JOBS PROGRAM**, with a built-in sunset every 5 years. Studios and production companies create jobs and economic activity in exchange for a forbearance of tax by the state.

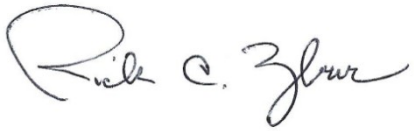
The only way the state creates "budget savings" under SB 122 is by **retroactively changing the rules and reneging on what it previously committed to**. As a result, many production companies will lose the full value of tax credits they earned in exchange for creating middle-class entertainment industry jobs with health care and retirement with dignity as well as the other economic benefits the industry brings to the state.

For 100 years California was the home of film and television production. That is the past. What the Legislature does to address the problem created in SB 122 determines if that remains true into the future.

As a result of your leadership as our Governor and legislative leaders, we acted at a crucial time last year to protect the workers and small businesses that depend on the film and television industry. We look forward to working with you on a solution that ensures the state honors the commitments of AB 1138 (2025) by exempting this program, so that we can continue to build on the initial gains for workers in our iconic, home-grown California industry. That was the promise of 4.0 and the elected leaders who supported it. We need to stand behind that promise.

Thank you for your attention to this crucial matter.

Sincerely,



RICK CHAVEZ ZBUR
Assemblymember, Fifty-First District



BEN ALLEN
Senator, Twenty-Fourth District



ISAAC BRYAN
Assemblymember, Fifty-Fifth District



PATRICK AHRENS
Assemblymember, Twenty-Sixth District



BOB ARCHULETA
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MIKE FONG
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LISA CALDERON
Assemblymember, Fifty-Sixth District



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Assemblymember, Sixty-Fifth District



JESSICA CALOZA
Assemblymember, Fifty-Second District



JEFF GONZALEZ
Assemblymember, Thirty-Sixth District



JUAN CARRILLO
Assemblymember, Thirty-Ninth District



LENA GONZALEZ
Senator, Thirty-Third District



MARÍA ELENA DURAZO
Senator, Twenty-Sixth District



MARK GONZÁLEZ
Assemblymember, Fifty-Fourth District



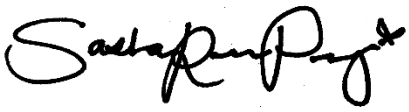
SADE ELHAWARY
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Assemblymember, Forty-First District



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TONY STRICKLAND
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NICK SCHULTZ
Assemblymember, Forty-Fourth District



SUZETTE MARTINEZ
VALLADARES
Senator, Twenty-Third District



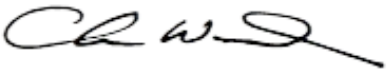
SHARON QUIRK-SILVA
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CATHERINE STEFANI
Assemblymember, Nineteenth District



CHRIS WARD
Assemblymember, Seventy-Eighth
District



HENRY STERN
Senator, Twenty-Seventh District

CC: Senator John Laird, Chair of Senate Budget Committee
Assemblymember Jesse Gabriel, Chair of Assembly Budget Committee