



September 16, 2025

The Honorable Gavin Newsom
Governor of California
1021 O St., Suite 9000
Sacramento, CA 95814

Via email to Leg.Unit@gov.ca.gov

RE: Signature Request for SB 711 (McNerney) Federal Tax Conformity

Dear Governor Newsom,

On behalf of the members of the California Society of CPAs (CalCPA),¹ which represents Certified Public Accountants and related professionals in public accounting firms and businesses across California, we respectfully request your signature for Senate Bill 711 (McNerney), which would update California's conformity date with the federal Internal Revenue Code from January 1, 2015, to January 1, 2025.

Historically, California has taken a selective approach to tax conformity, reviewing each federal tax change individually. This allows lawmakers to evaluate the fiscal impact, fairness, and alignment with the state's economic and policy goals—rather than automatically adopting federal rules that may not suit California's priorities. Currently, the state generally conforms to the federal tax code as it stood on January 1, 2015. SB 711 updates that baseline by conforming to a broad range of federal tax changes made since the last major conformity legislation. In doing so, SB 711 will simplify tax compliance, filing, and administration for taxpayers, tax professionals, and tax agencies.

Reduces Complexity and Simplifies Compliance

When California's tax laws don't align with federal rules, taxpayers and tax practitioners must make numerous adjustments and use different methods to complete their state and federal returns. This added complexity increases the risk of errors and unintentional non-compliance, which can result in costly penalties and interest over time. SB 711 would simplify the process by reducing the number of required adjustments—making tax filing more straightforward and helping taxpayers avoid unnecessary errors and penalties.

Eases Administrative Burden

Non-conformity increases the time, cost, and effort required from taxpayers, tax professionals, and the Franchise Tax Board (FTB). Taxpayers must maintain separate records for state and federal reporting, while practitioners must make additional adjustments and calculations. The FTB also faces added work verifying returns, conducting audits, and assisting taxpayers. This

¹ As a leading voice, CalCPA collaborates with policymakers, government agencies, regulatory bodies and other key stakeholders to shape policies that advance the public interest and help CPAs meet the needs of their clients and employers. We also provide our members with up-to-date information and practical guidance to support their personal and professional growth as trusted advisers to individuals and businesses, governments and nonprofits of all sizes.

extra administrative burden adds unnecessary complications and costs to the tax system. SB 711 would streamline reporting and compliance, easing these burdens for everyone involved.

SB 711 is a much-needed tax conformity measure that will reduce complexity, simplify compliance, and ease the administrative burden for taxpayers, tax professionals, and the state. We appreciate the author and committee staff for their thorough, inclusive, and transparent work with stakeholders, including the FTB and other state tax agencies, in shaping this legislation.

For these reasons, we respectfully urge your signature on SB 711. Thank you for your consideration and support. For any questions, please contact Jason.Fox@CalCPA.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Fox', with a stylized flourish at the end.

Jason Fox – Vice President, Advocacy & Public Affairs
California Society of Certified Public Accountants

cc. The Honorable Jerry McNerney
Colin Grinnell, Chief Consultant, Senate Revenue and Taxation Committee
Luke Reidenbach, Office of California Governor Gavin Newsom