REBUILD LOCAL NEWS

Getting Ready for the Community NEWS Act

What California news organizations should do now to qualify for refundable tax credits tied to local journalist employment

Under California's AB 2222, also known as the Community NEWS Act, California local news organizations will be able to receive refundable tax credits based on the number of local journalists they employ on staff in tax years 2027 through 2031, including sole proprietors. Newsrooms will receive the credit after filing for the previous year. For example, credits for 2027 will likely be received in 2028 at the earliest, after 2027 annual taxes are filed.

Although it will likely be many months before news organizations will have to worry about the actual application process – the Franchise Tax Board (FTB) has not yet released regulations or guidance on claiming the credit – there are a few steps that news organizations should take immediately to meet the eligibility requirements. Keep in mind these are our best recommendations but do not constitute legal advice, nor can we guarantee eligibility; that will be up to the FTB. Rebuild Local News will monitor developments and share updates on the program as they occur.

This document was updated Nov. 12, 2026. Please contact Rebuild Local News senior policy manager Gene Perry in case of any errors: geneperry@rebuildlocalnews.org

Do Before January 1, 2027

- **Obtain media liability insurance.** Media liability coverage is a requirement for eligibility and must be active continuously for the whole tax year. Coverage must be effective on January 1, 2027 at the latest to get credits for 2027 employment expenses. Because underwriting takes time, news organizations realistically should apply for insurance by early December if they don't have it already. (Insurance resources below.)
- **[Digital and some print outlets] Begin collection of geographic audience data.** Digital outlets must demonstrate with subscriber or web traffic data that at least

33% of their audience is in California, so turn on geographic analytics now. Print outlets that don't qualify through court adjudication or USPS periodicals privileges from an in-state post office must demonstrate at least 33% in-state print distribution, so ensure that you have records to show this.

Do Before Claiming The Credit

- **Post ownership.** List all beneficial owners (for nonprofits: the board of directors) on your website or in your publication.
- **Post a corrections policy.** Publicly display an error-correction and clarification policy with an accessible way for readers to report errors and complaints. See this example corrections policy kit from Trusting News, a non-profit organization with a mission to support greater trust in journalism. (Resources for creating a policy below.)

Employee Record-Keeping

The job retention credits are awarded per journalist who was employed for more than 26 weeks in 2027. The additional new-position credit of $15,000 compares average daily headcount from 2026 to 2027. The primary duties of all credited journalists must occur in California and involve producing state or local news. Eligible full-timers must be paid at least $35,000 a year and eligible part-timers $25,000.

FTB has not yet said what documentation it will require. To cover what may be needed, we recommend keeping:

- Weekly hours, payroll, and hire and separation dates for each news employee
- Job descriptions showing news-producing primary duties
- Proof of each journalist's California residency
- A daily or pay-period headcount log of qualifying journalists for 2026 and 2027

Corrections Policies Resource

Trusting News offers a toolkit to help you develop your own corrections policy. The Trusting News team has offered to host a Zoom call in early 2027 for California publishers who want help developing a policy.

Media Liability Insurance Resources

Media liability insurance is a form of professional (errors and omissions) insurance that covers claims arising from the content a newsroom creates and distributes and how it gathers the content. This can include:

- Defamation (libel, slander, product disparagement)
- Invasion of privacy, false light and misappropriation of name or likeness
- Copyright violations, trademark infringement and plagiarism
- Claims of wrongdoing in the news gathering process, such as trespass, intrusion or breach of confidentiality
- Infliction of emotional distress tied to a newsroom's reporting

The cost of policies varies depending on a newsroom's size (determined by annual revenue) and the kinds of reporting it does. While the prices of insurance can change and are based on each individual newsroom's circumstances, for a $1M policy with a $5,000 deductible, newsrooms with revenue of less than $250,000 can expect to pay in the $1,500-3,000 range. Premiums go up from there based on size.

Generally, it is easy for community news organizations to get insurance, with a couple of caveats:

- Insurers want to see that an organization has the money to cover their premium and deductible, so sometimes outlets with very small budgets aren't approved, purely for financial reasons.
- Many of the top insurers are no longer underwriting investigative outlets. Some will still write policies, but premiums are significantly more expensive and will have to be explored with the help of a broker.

Insurance Brokers

The insurance brokers listed below all specialize in working with newsrooms and are available to help California applicants in the coming weeks. As you'll see, some of them have relationships with membership organizations and are able to offer special services or discounts that you may be able to take advantage of as a member, but all of them are available to work with any newsroom. This list is not meant to be exclusive or constitute an endorsement of particular brokers.

Important note: *Be sure to choose only one broker from this list. They all work with the same insurers and if a company receives two applications for the same newsroom through different brokers, it gets messy and can cause delays.*

Brian Finnell, EPIC | Works with all newsrooms

- EPICNews@epicbrokers.com
- (631) 390-9710

For LION Members | Partners with LION but will work with all newsrooms

- LION insurance resources
- Jan Hogan, Acrisure
- jhogan@acrisure.com

For INN Members | Partners with INN but will work with all newsrooms

- INN insurance resources
- Rina Hamzey, Endless Insurance
- rina@endlessins.com
- 760-227-5370

For National Newspaper Association Members | Partners with NNA but will work with all newsrooms

- NNA insurance resources
- William J. Coady, AAI, Walterry/Heffernan Insurance Brokers
- bcoady@heffins.com
- 240-318-5017

For National Association of Broadcasters members | Partners with NAB but will work with all newsrooms

- NAB insurance resources
- Karen Baldwin
- karen.baldwin@axiscapital.com
- (678) 746-0842