

March 18, 2025

The Honorable Mike Gipson
Chair, Assembly Revenue and Taxation Committee
1020 N Street, Room 167A
Sacramento, CA 95814



Re: AB 976 (Avila Farias) -- SUPPORT

On behalf of the California Retailers Association, I am writing in strong support of AB 976 (Avila Farias), which addresses the need to effectively deter retail theft and burglary by helping small retailers afford the cost of installing an effective security alarm system. Specifically, AB 976 would establish a two-year, capped, tax credit allocation program to provide a tax credit to small retailers in disadvantaged communities, as defined in Health and Safety Code Section 39711, which install needed security equipment. This limited tax credit will produce a valuable return on the state's investment in our most vulnerable communities.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, fast food restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which currently operates over 164,200 stores with sales in excess of \$571 billion annually and employing 2,776,000 people—nearly one fifth of California's total employment.

AB 976 is about investing in the safety and security of our most vulnerable and socioeconomically distressed communities and ensuring the survival of our small businesses. Here's why this approach is critical:

- It directly addresses the root cause: The high upfront cost of security systems is a major barrier for small businesses, especially in disadvantaged communities where crime rates are higher.
- It promotes safety: Monitored security systems act as a deterrent and provide crucial evidence for law enforcement, protecting both employees and customers.
- It supports economic stability: By reducing theft, businesses can avoid raising prices for their merchandise and sustain their contribution to the vitality of their communities.

We respectfully urge your support for AB 976 as a targeted investment with a clear and measurable return: safer communities resulting in fewer prosecutions and incarcerations, thriving small businesses resulting in higher tax collections for state and local governments, and helping maintain the affordability of the everyday material needs of California consumers.

Sincerely,

Ryan Allain
Director, Government Affairs
California Retailers Association