



May 17, 2024

The Honorable Marvin L. Abney
Chair, House Finance Committee
Rhode Island State House
Providence, RI 02903

Re: Governor's Budget Amendment #19 – Article 6 – Taxes and Fees

Dear Chairman Abney and Committee Members:

The Rhode Island Bankers Association is writing in support of Governor's Budget Amendment #19. The impact our member banks have on the Rhode Island economy cannot be understated, representing roughly 10,000 jobs and hundreds of millions in payroll within the state. Furthermore, those jobs and salaries play a tremendous part of our state's tax base. This bill would go a long way to ensuring that a positive impact is maintained in future out years.

It is important to note that just this past year, the Massachusetts legislature adopted a single sales factor designation for financial institutions. Our concern is that given this new tax designation – just miles from our border – several of our Rhode Island banks will now be incentivized to create and/or move jobs into Massachusetts to reduce their tax liability. This potential loss of jobs would have a significant impact on state revenues.

We firmly believe that Budget Amendment #19 would create the necessary tax parity with our neighboring state to stave off such a scenario. By adopting an elective single sales factor apportionment method for financial institutions, Rhode Island would maintain tax neutrality with its neighboring states and keep good paying financial services jobs located here in Rhode Island.

For these reasons, we urge the passage of Budget Amendment #19. Thank you for your consideration.

Very truly yours,

RHODE ISLAND BANKERS ASSOCIATION

A handwritten signature in black ink that reads "Will Farrell". The signature is written in a cursive, slightly slanted style.

Will Farrell