



RHODE ISLAND LIQUOR OPERATORS COLLABORATIVE

REPRESENTING RHODE ISLAND'S INDEPENDENT LIQUOR RETAILERS

H7596 - OPPOSE

23 April 2024

Dear Chairman Abney and Committee Members:

The Rhode Island Liquor Operators Collaborative strongly opposes House Bill 7596.

Increasing the sales tax on beer, wine, and liquor would be bad for Rhode Island commerce. Sales tax was eliminated on wine and liquor starting on July 3, 2013. Fiscal year 2014 saw an increase in gross sales of alcoholic beverages by liquor stores of 13.4 percent, or \$42 million. 2015 saw the consumer continue to adjust to the positive impact of sales tax elimination. Gross sales of alcoholic beverages by liquor stores grew another 5.8 percent, or \$21 million.

Nearly half of Rhode Island's Class A liquor licensees operate within a 6 mile drive of our borders. This action would certainly drive business across state lines into neighboring Massachusetts and Connecticut. As it stands today, Rhode Island liquor licensees already operate at a tax disadvantage to Massachusetts.

As we have already learned through the elimination of sales tax on wine and liquor, reducing the tax burden on consumers is an effective way to increase local commerce and keep dollars in the state. At a time where the consumer is already strapped, increasing the sales tax on specific commodities would be a net loss for the local economy and drive business out of state.

If you have any questions, please don't hesitate to contact us at (401) 219-6695 or RIliquorOperatorsCollaborative@gmail.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicholas A. Fede, Jr.", written in a cursive style.

Nicholas A. Fede, Jr.

Director

Rhode Island Liquor Operators Collaborative