

May 5th, 2025

Dear Chairman Abney and Members of House Finance Committee,

RE: Support for H5473

I write to support H5473 sponsored by Representatives Alzate Shanley, Morales, Ajello, Spears, Carson, Felix, Cortvriend, Fogarty and Edwards.

The bill which would add a 3% surtax on taxable income over \$625,000 is estimated to impact only about 1% of the state's more than 500,000 tax filers. It is projected to generate \$190 Million in revenue.

Our state is facing significant budget challenges in maintaining important programs in many areas such as health care, housing and transportation while also dealing with the uncertainties of potential federal cuts to essential programs that support so many critical services that our older population and children and families rely on. Revenue derived from this surtax can help keep these programs strong and expand some such as the Medicare Savings Programs with its totally outdated income thresholds.

Critics would argue that this bill will drive wealthier individuals out of state - research shows this is not the case. People move for many reasons but taxes is not a dominant one. In Rhode Island higher-income tax filers have been moving in more than they have been moving out. And in Massachusetts which instituted a millionaire's tax, the opposite seems to have happened as a report shows that the number of persons with net worth over \$1 million in 2024 had actually increased.

Thank you for your consideration of my support. I urge you to recommend passage of H5473.

Sincerely,
Dr. Christine Gadbois
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