

Chris O'Brien

From: James Hahn <jhahn@psh.com>
Sent: Tuesday, May 6, 2025 4:09 PM
To: House Finance Committee
Cc: Rep. Kazarian, Katherine S.
Subject: OPPOSE H 5473

The Honorable Marvin Abney
Chairman, House Finance Committee
Rhode Island State House – Room 35
Providence, Rhode Island 02903

Re: Opposition to H 5473

Dear Chairman Abney and Members of the House Finance Committee,

I am writing today to express my strong opposition to H 5473, which seeks to increase personal income tax rates. Higher taxes will hurt everyone – from small businesses to the non-profits that rely on philanthropy to the single mother who can't find a well-paying job.

The proposed increase in H 5473 is aimed directly at small “mom and pop” businesses that pay taxes as a pass-through entity. It will raise the tax rate paid by owners of those businesses to rates that are higher than those applied to larger business paying taxes at the entity level. Higher taxes will only serve to burden successful small businesses, making it harder to create jobs and contribute to the local economy. **Rhode Island has a spending problem not a revenue problem.**

Furthermore, increasing taxes will make Rhode Island less competitive compared to other states. Businesses are constantly evaluating their options when it comes to location, and higher taxes can be a significant factor in their decision-making process. Rhode Island is already viewed as unfriendly to businesses. If Rhode Island becomes even more unfriendly by raising pass-through tax rates, businesses may choose to locate or relocate to states with more favorable tax policies, taking jobs and revenue with them. Although anecdotal, based on my experience as a corporate attorney, this does happen. There are no big announcements, investment just goes elsewhere.

In order to promote economic growth and prosperity in Rhode Island, it is crucial that we maintain a business-friendly environment. I urge you to oppose H 5473 and work towards policies that encourage business development and investment in our state. Otherwise, we will become a truly “island” economy – one dependent on tourism and other discretionary expenditures that are first to dry up in a recession and last to rebound when a recession ends.

Sincerely,

James H. Hahn
60 Agawam Park Road
Rumford, RI 02916

Cc: Representative Katherine S. Kazarian



James Hahn
Senior Counsel
Partridge Snow & Hahn LLP
40 Westminster Street, Suite 1100
Providence, RI 02903
t: 401-861-8251 · f: 401-861-8210
jhahn@psh.com
[Learn more about our lawyers at psh.com](http://www.psh.com)



This email message contains confidential and/or legally privileged information belonging to the sender and intended only for the review and use of the intended recipient. If you are not the intended recipient, any disclosure, dissemination, distribution, copying, review or use of the information contained in this e-mail message or any attachment is strictly prohibited. If you think you have received this e-mail message in error, please notify Partridge Snow & Hahn LLP at (401) 861-8200, and purge this e-mail message from your computer system immediately. Thank you.