



May 6, 2025

The Hon. Marvin Abney
Chair
House Finance Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

Oppose: H-5473

Dear Chair Abney and Members of the Committee:

I am writing on behalf of an extensive array of business advocacy organizations to express our strong opposition to any broad-based tax increases, particularly to Rhode Island's personal income tax rates as defined in H-5473. Our voices are indicative of the views of thousands of local businesses statewide.

Increasing the personal income tax rate would have a significant, long-term negative impact on our economy. Rhode Island is already in a fierce competition with neighboring states to attract and retain businesses, residents and talent. Such short-sighted action would produce a chilling effect on our overall competitiveness. This is particularly concerning as Rhode Island is making notable investments to expand high-wage industry sectors including life sciences and technology.

Currently, we have some advantages over Massachusetts including a 1% lower corporate tax rate, a 24% lower cost of living than Boston, and a lower personal income tax rate on high earners. We need to build on these advantages, not eliminate them. A personal income tax increase would exacerbate the challenges we face in retaining high-income earners and entrepreneurs who drive economic growth and create jobs in our state.

The great majority of businesses in Rhode Island, and nearly all small businesses, report their profits through the personal income tax rather than the corporate tax. Moreover, businesses rely on talented professionals who are drawn to competitive, affordable states.

Increasing the tax burden would discourage individuals from choosing Rhode Island as their home, ultimately impacting innovation and job creation. Higher taxes would send a message that Rhode Island is not serious about improving its business climate. Companies considering expansion or relocation weigh the overall tax burden heavily in their decisions, and a hike in the personal income tax would significantly diminish our appeal.

We are committed to working collaboratively with the General Assembly to find solutions that balance fiscal responsibility with economic growth. We believe Rhode Island's future depends on policies that encourage prosperity, not stifle it.

Thank you for your leadership and dedication to our state.

Sincerely,



Laurie White, President, Greater Providence Chamber of Commerce
Elizabeth Catucci, President, Northern Rhode Island Chamber of Commerce
Erin Donovan Boyle, President, Greater Newport Chamber of Commerce
Michael DiBiase, President, Rhode Island Public Expenditure Council
Farouk Rajab, President, Rhode Island Hospitality Association
John Simmons, President, Rhode Island Business Coalition
Molly Donahue Magee, Chief Executive Officer, SENEDIA
Scott Bromberg, President, Rhode Island Food Dealers Association
Dave Chenevert, Executive Director, Rhode Island Manufacturers Association
Rhode Island Retail Federation
Rhode Island Society of CPAs
The Partnership for Rhode Island

cc: Members of the Rhode Island General Assembly