

## **Testimony in support of H6290: Wealth Tax**

Dr. Hans Scholl, 71 Fales Avenue, Barrington, RI 02806

Date of Hearing: May 21, 2025

To Chair Abney and the honorable Members of the House Finance Committee:

Between 1981 and 2021, deregulation, tax cuts for the wealthy and corporations, the offshoring of manufacturing, and the weakening of unions moved \$50 trillion from the bottom 90% of Americans to the top 1%<sup>1</sup>.

38% of Rhode Island households are food insecure, with higher rates among communities of color. Specifically, 47% of Black households and 55% of Latino households experience food insecurity.<sup>2</sup>

This week, Congress is in the process of giving the wealthiest in the country a significant tax cut, funded by cuts in programs that those in lower income groups rely on, like Medicaid.

At the same time, Rhode Island is hit by the ripple-effects of the many cuts in federal programs by the current administration, and we are struggling to make ends meet. The message heard from the leadership in House and Senate during this year's ECRI Legislative Coffee Hour was loud and clear: we won't be able to do much this year because we won't have the money.

We more than ever need to rely on additional sources for funding.

I support the bill, because it will provide such funding by levying a wealth tax for residents and entities with financial intangible assets above twenty-five million dollars (\$25,000,000). The tax rate is one percent (1%) multiplied with a resident's taxable worldwide wealth.

The tax will provide much needed additional income for the State without posing an intolerable hardship: the vast majority of Rhode Islanders' wealth is below twenty-five million dollars and makes them exempt from paying the tax; for the wealthiest—those with a wealth above twenty-five million dollars—the 1% rate of the RI wealth tax seems relatively moderate, especially since they also will have tax relief from the federal tax cut described above (in comparison, loss of Medicaid will be substantially more than 1% of an impacted resident's income).

Please bring the bill to a vote in 2025.

Thank you very much for considering my input, and thank you to Representative Potter for introducing this important bill.



Dr. Hans Scholl

May 20, 2025

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<sup>1</sup> Heather Cox-Richardson; Letters from an American, January 16, 2025: <https://heathercoxrichardson.substack.com/p/january-16-2025-493>

<sup>2</sup> <https://rifoodbank.org/assessing-hunger-in-rhode-island-2025-updates-and-the-rhode-island-community-food-banks-spring-initiatives/>