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May 20, 2025

Honorable Marvin L. Abney  
Chairman, House Finance Committee  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

RE: Opposition to H6290 – Proposed Wealth Tax Legislation

Dear Chairmen Abney and Honorable Members of the Committee,

I am writing on behalf of igus, Inc., a Rhode Island-based manufacturer employing over 400 Rhode Islanders and more than 550 employees across North America, to express our strong opposition to House Bill 6290, which proposes a 1% annual wealth tax on “worldwide intangible assets” of Rhode Island residents and domiciled businesses.

This legislation, while well-intentioned, would have damaging and unintended consequences for companies like ours—closely held, reinvestment-focused businesses that are deeply committed to growing jobs and innovation in Rhode Island.

#### 1. A Misguided Approach Amid Economic Uncertainty

Rhode Island continues to struggle with underperforming infrastructure, high public sector costs, and limited taxpayer return. The Governor and senior staff have acknowledged a growing fiscal crisis driven by unsustainable spending growth and underfunded obligations.

Rather than addressing these structural issues, H6290 proposes to raise revenues by taxing successful individuals and businesses—those most likely to relocate or shift investments if the tax environment becomes unstable. This bill does not solve our spending problem—it worsens it by driving away capital and talent.

#### 2. A Punitive and Unworkable Tax on Business Owners

While the bill exempts “artificial persons” (Section 44-72-5(3)), the expansive definitions of “control” and “ownership” (Sections 44-72-1(16)(A)–(C)) effectively sweep in pass-through entities, trusts, and closely held businesses. This would penalize entrepreneurs, family businesses, and long-term investors—the very people we depend on for job creation and economic development.

Even more troubling, the bill demands annual subjective fair market valuations for non-liquid assets such as intellectual property, minority shares, and private options (Section 44-72-9). This introduces enormous compliance costs, uncertainty, and audit risk—especially for businesses that are paper-rich but cash-constrained.



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## In Conclusion

Rhode Island needs a tax and regulatory environment that supports growth, attracts talent, and encourages reinvestment. H6290 does the opposite. It sends a chilling message to companies like ours, at a time when we are working to hire, train, and expand right here in the Ocean State.

I respectfully urge you to oppose H6290 and instead focus on sustainable, pro-growth solutions to Rhode Island's fiscal challenges.

Sincerely,

A handwritten signature in blue ink, appearing to read "F. Brockmeyer".

Felix Brockmeyer  
President and CEO  
On behalf of igus, Inc.