



May 29, 2025

The Honorable Marvin Abney
Chair, House Committee on Finance
82 Smith Street
Providence, RI 02903

Re: Oppose HB 6365 - Retail Delivery Tax

Dear Chair Abney and members of the Committee:

On behalf of Chamber of Progress, a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements, I write to respectfully urge you to **oppose HB 6365**. This bill would unfairly levy a hefty 50-cent tax on retail deliveries throughout Rhode Island.

A delivery tax would disproportionately burden Rhode Island's most vulnerable residents and threaten the income of small businesses and the workers they employ. At the same time, the proposed delivery tax will also incentivize individual trips to stores, increasing emissions and wear and tear on roadway infrastructure.

Enacting a delivery tax would also set Rhode Island apart regionally. This year, similar proposals were rejected in Maryland,¹ Connecticut, Indiana, and Boston.²

Delivery taxes are regressive and hurt Rhode Island's working families

Recent data highlights the growing reliance on delivery services nationwide and their impact on underserved communities. Families increasingly turn to delivery services, relying on online shopping for affordability, convenience, and safety. In fact, the average American household receives a retail delivery item every 2.21

¹ See CBS News <https://www.cbsnews.com/baltimore/news/maryland-2026-budget-general-assembly-taxes-revenue-business-property/>

² See Boston City Council <https://www.youtube.com/watch?v=TJSU6P-2MPs>

days.³ Imposing a 50-cent delivery tax would be regressive, hitting lower and middle-income Rhode Islanders the hardest. At a time when Rhode Island families are grappling with financial struggles due to economic uncertainty and rising costs, now is not the time to make goods and services more expensive for Rhode Islanders.

A survey of Colorado residents found that the burden of a 27-cent delivery tax fell hardest on low-income families. Families earning less than \$75,000 spent 2.5 times as much on delivery taxes as families earning over \$200,000.⁴ Increasing the cost of goods through a delivery tax would further burden Rhode Island families.

Delivery taxes threaten access to essential goods and services for Rhode Islanders with disabilities, mobility challenges, or limited transportation options

Over 1 in 4 adults in Rhode Island live with a disability,⁵ many of whom struggle with shopping in person and depend on delivery services for household goods.⁶ A delivery tax would only exacerbate these challenges, adding to the financial burdens people with disabilities already face.⁷ Moreover, Rhode Island's population is aging rapidly, with over 25% of residents now aged 60 or older and 18% aged 65 and above.⁸ For many older Rhode Island residents, delivery services are essential to maintaining their independence and ensuring they can access the goods and services they need.

Many Rhode Island households do not own a vehicle,⁹ and budget shortfalls and service cuts at the Rhode Island Public Transit Authority (RIPTA) have left them with limited or no access to stores that sell essential household goods.¹⁰ Delivery services provide residents in transportation deserts, who might otherwise have to travel long, complicated trips, with ways to obtain necessities in box stores.

³ See Capital One <https://capitaloneshopping.com/research/same-day-delivery-statistics/#:~:text=Daily%20U.S.%20Delivery%20Statistics,merchandise%20delivery%20every%2028%20days>.

⁴ See Chamber of Progress <http://progresschamber.org/wp-content/uploads/2024/02/EY-Chamber-of-Progress-Colorado-delivery-fee-analysis-02-27-2024-FINAL.pdf>

⁵ See Disability Resources <https://www.disabilityresources.org/rhode-island.html>

⁶ See Home delivery services serve up improved accessibility to food and more <https://www.ameridisability.com/home-delivery-services-serve-up-improved-accessibility-to-food-and-more/>

⁷ See The National Disability Institute <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2018/12/finra-infographic.pdf>

⁸ See Age-Friendly Rhode Island <https://agefriendlyri.org/new-data-on-aging-in-rhode-island-reveals-key-challenges-and-opportunities/>

⁹ See Rhode Island Moving Forward Long-Range Transportation Plan <https://planning.ri.gov/sites/g/files/xkgbur826/files/documents/LRTP/LRTP-app/Appendix-D.pdf>

¹⁰ See The Providence Journal <https://www.providencejournal.com/story/news/politics/2025/03/14/ripta-warns-of-mass-layoffs-major-service-cuts-if-budget-gap-not-filled/82368808007/>

When Colorado implemented a delivery tax of 27 cents, it created additional tax burdens on essential household products such as paper towels and trash bags.¹¹ Implementing a delivery tax in Rhode Island would only deepen existing inequities, making it even harder for residents in underserved communities to afford and access basic goods.

Delivery taxes hurt small businesses and workers

Imposing delivery taxes would also threaten many small businesses that depend on online marketplaces to reach customers. Small businesses are the heart of Rhode Island's economy and communities, comprising 98.9% of all businesses in the state.¹² These businesses do more than create jobs; they provide opportunities for economic independence, entrepreneurship, and a pathway to the middle class for thousands of Rhode Islanders.

Taxing delivery orders could force Rhode Island businesses to remove delivery options that would shrink their customer base, absorb the tax, increase prices, or a combination of all three. Small businesses across the country are already struggling to remain open and keep pace with high inflation and economic challenges. This trend will only worsen if a 50-cent tax per delivery reduces orders and revenue for small businesses.

The impact of *any tax* on delivery services would be reduced revenue for small businesses and reduced wages for workers. Women,¹³ Gen Z, and millennials¹⁴—many of whom are already struggling to make ends meet—are increasingly turning to delivery work as a way to offset rising costs and earn supplemental income. Delivery taxes disproportionately harm these workers, undermining their ability to support themselves and their families while contributing to the local economy.

When a 27-cent tax was imposed in Colorado, many small businesses raised concerns about increased costs, and customers complained about increased prices.¹⁵ Such price increases would lead to a drop in demand, resulting in

¹¹ See Chamber of Progress <https://progresschamber.org/wp-content/uploads/2024/08/Retail-Delivery-Fees-White-Paper-Econ-Impact-CHOP.pdf>

¹² See The City of New York <https://www.nyc.gov/assets/smallbizfirst/downloads/pdf/small-business-first-report.pdf>

¹³ See <https://about.doordash.com/en-us/news/a-majority-of-dashers-are-women-heres-why-they-choose-doordash>

¹⁴ See 2024 Gen Z and Millennial Survey <https://www.deloitte.com/global/en/issues/work/content/genz-millennialsurvey.html>

¹⁵ See New Colorado retail delivery fee causing issues for small businesses https://www.kktv.com/2022/07/07/new-colorado-retail-delivery-fee-causing-issues-small-businesses/?utm_source=dlvr.it&utm_medium=twitter

decreased business revenues and wages for delivery drivers. In Colorado, the delivery tax has caused an estimated annual loss of \$17.1 million in wages for local workers, including restaurant employees, and threatened 61,000 jobs across various industries.¹⁶

Delivery taxes would also increase roadway usage and environmental damage

Delivery services consolidate trips and use route-optimization technology, making them more efficient than multiple individual trips. Unnecessary delivery taxes would discourage consumers from choosing delivery options and result in more individual trips to the store, putting more cars on the road and more emissions in the air.

In Rhode Island alone, the use of delivery services could reduce over 30 million fewer miles driven annually, reducing wear and tear on roadways and decreasing roadway emissions.¹⁷ Imposing a delivery tax would undermine Rhode Island's Act on Climate and long-term goals to decrease greenhouse gas emissions by 45% below 1990 levels by 2030, 80% by 2040, and reach net-zero emissions by 2050.¹⁸

Delivery services play a vital role in Rhode Island by supporting marginalized communities, helping families access essential goods, and keeping small businesses across the state afloat. Tax policies should not jeopardize these critical benefits for workers and households who depend on them. For these reasons, we respectfully urge you to **oppose HB 6365**.

Sincerely,



Brianna January
Director of State & Local Government Relations, Northeast US

¹⁶ See The Negative Economic Impacts of Retail Delivery Fees <https://progresschamber.org/wp-content/uploads/2024/08/Retail-Delivery-Fees-White-Paper-Econ-Impact-CHOP.pdf>

¹⁷ See Efficiency and Emissions Impact of Last Mile Online Delivery in the U.S. <https://progresschamber.org/wp-content/uploads/2024/06/Chamber-of-Progress-Efficiency-and-Emissions-Impact-of-Last-Mile-Online-Delivery-in-the-US.pdf>

¹⁸ See State of Rhode Island <https://climatechange.ri.gov/act-climate>