



May 29, 2025

The Honorable Marvin L. Abney, Chairman
House Finance Committee
State House
Providence, RI 02903

Re: H.6365, An Act Relating to Taxation – Retail Delivery Fee

Dear Chairman Abney,

The undersigned members of the Rhode Island Business Coalition are writing in opposition to House Bill 6365, which proposes the imposition of a retail delivery fee on retailers with annual gross sales exceeding \$500,000.

The proposed tax disproportionately burdens small and medium-sized businesses that rely on delivery services to reach customers. A delivery tax would be damaging to local businesses, including those who manage their own delivery fleets and those who use DoorDash to drive extra revenue and profits. Many of these businesses operate on thin margins and may struggle to absorb the additional costs associated with this fee. Unlike larger corporations, they may lack the resources to offset these expenses, potentially leading to increased prices for consumers.

Rhode Island's neighboring states do not impose similar delivery fees, placing our local businesses at a competitive disadvantage. Delivery taxes are inherently regressive and punish those who can least afford it, including older members of our community, people with disabilities, or those who have other limitations that make it difficult to leave home.

This year, several states dealing with budget shortfalls have looked at a delivery tax. All of them so far, including Connecticut, Indiana, Hawaii, Maine, Maryland and Mississippi, have rejected the idea.

In addition, the implementation and enforcement of this fee would introduce additional administrative burdens for businesses, particularly small businesses without dedicated compliance departments. The complexity of tracking and remitting the fee could divert valuable resources away from core business operations.

We urge the General Assembly to consider alternative approaches that address infrastructure concerns without imposing additional financial burdens on businesses. While we understand the need to address

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

infrastructure challenges, we believe that House Bill 6365 is not the appropriate solution. The proposed delivery fee poses significant risks to Rhode Island residents and small businesses.

Thank you for your consideration of our position on H6365. We ask that you take no further action.

Sincerely,

Greater Newport Chamber of Commerce

National Federation of Independent Business

Rhode Island Beverage Association

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Manufacturers Association

Small Business Economic Summit Regulations Committee

Small Business Economic Summit Tax and Budget Committee

TechNet

cc. House Finance Committee members