



**TESTIMONY IN SUPPORT OF H-7127, Article 5, Section 6.
RELATING TO PERSONAL INCOME TAX and CHILD TAX CREDIT**

Memo To: House Finance Committee

From: Angela Lima, Chief of Government Relations, Women's Fund of Rhode Island

Date: March 2, 2026

We applaud Governor McKee for including this very popular proposal in his budget, but believe that due to the numerous needs of the state and the fact that the richest Rhode Islanders got massive tax breaks at the federal level – the General Assembly should also consider Rep. Alzate's H-7313 to tax the top 1%

A Top 1% tax would raise \$203 million per year—\$68 million more annually than the proposed millionaires tax, which would raise \$135 million per year. That additional revenue could help close our budget gap, stabilize Medicaid, protect SNAP, invest in childcare, address the maternal health crisis, expand paid leave, and strengthen services for survivors of domestic violence.

When everyone pays their fair share, everyone wins. The top 1% have benefited enormously from federal tax breaks in recent years. Under H-7313, the wealthiest Rhode Islanders would still pay the same top rate as they would in Massachusetts. This is reasonable and competitive.

And here's the opportunity: revenue from a Top 1% tax can fund policies that strengthen our economy—like a refundable Child Tax Credit.

A Child Tax Credit puts money directly into the hands of families who will spend it locally—on rent, groceries, childcare, and school supplies—boosting small businesses across Rhode Island. It reduces child poverty, improves maternal mental health, stabilizes the workforce, and increases long-term economic growth. When mothers can afford childcare and basic necessities, they can stay in the workforce. That benefits employers and strengthens our tax base.

Tax policy reflects our values. We can choose deeper cuts and growing inequality—or we can ask the wealthiest to contribute a little more so that children can thrive and families can stay afloat.

Income inequality has grown in the United States and in Rhode Island. 90% of the wealth in the U.S. is now held by individuals in the top 20%. The wealthiest of our citizens have benefited from a series of big tax breaks, saving them \$35,000 per year over the past two decades. The gap between rich and poor continues to widen due to tax policies that help the wealthy to get wealthier, but do little to help those at the lower end of the economy.

Gender wage and wealth gaps are widely documented. Women typically make less than men, and as a result, have less money to build wealth with. In our current tax system,

lower and middle-class women pay a higher percentage of their income in total taxes than those who can most afford it. We must reconsider what is "fair" for those at the lower end of the economic scale, particularly as women were severely impacted by the economic crisis caused by COVID.

The mission of the Women's Fund of Rhode Island is to invest in women and girls through advocacy, research, and strategic partnership designed to achieve gender equity through systemic change. Our [Women's Well-Being Index](#) compares how well women fare against men on topics related to health, safety, economic security, education and civic participation in every RI city/town. Our [policy briefs](#) are written in response to the data found on the Index. You can find more about our work at www.wfri.org.

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