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Testimony Re: House Bill 7127, Article 5, Section 6 – Millionaire’s Tax
House Finance Committee
March 3, 2026
Paige Parks, Executive Director

Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony. Rhode Island KIDS COUNT would like to voice its **strong support** for Article 5, Section 6 of the Governor’s Proposed FY2027 budget. This proposal would create a new tax bracket of 8.99% for taxpayers with incomes over \$1 million. The 3% tax increase would apply only to personal income exceeding \$1 million and would take effect starting in the 2027 tax year.

For the past few years, Rhode Island KIDS COUNT has supported strategies to increase revenue to meet the needs of our state’s children and families by increasing taxes on higher income earners. However, we are in a new era now and the need to increase revenues is even more critical. **The slashing of federal funds and elimination of critical federal programs will make it difficult for many Rhode Island families to meet their basic needs, and children will suffer if the state does not fill this federal funding gap.** Rhode Island will need to generate an estimated \$70 million to maintain programs that help children eat, parents work, and families have warm, safe homes.

The Governor’s proposed budget assumes the creation of the proposed tax bracket and with those funds, he has proposed important investments that will help protect our most vulnerable children and families.

The funds from this newly generated revenue will:

- **Address federal threats to SNAP and Medicaid** by allocating \$9.3 million to finance the State’s increased administrative cost share for SNAP required by H.R.1 and \$19.3 million for technology upgrades, additional personnel, and other resources to help Rhode Islanders retain their benefits and to lower the State’s SNAP payment error rate.
- Increase support for the **Rhode Island Community Food Bank** by \$1.0 million to address the increased need for food assistance due to changes in SNAP reporting requirements in H.R.1.
- Create a new refundable state **Child Tax Credit** of \$325 per dependent child under age 19, replacing the existing dependent child exemption. This proposal will address child poverty by putting \$15 million back into the pockets of low-income families with children in FY 2027 and over \$30 million in FY 2028 and beyond.

Rhode Island’s education funding formula is also in need of updating to ensure the gains we have made in education do not diminish and we

continue to decrease disparities in education outcomes. The Blue Ribbon Commission organized by the Rhode Island Foundation released a report, [Equalizing Opportunity: Creating a Fair and Transparent Funding System for Rhode Island's Public Schools](#). I served on this Commission, and we support the recommendations included in the report- but it will cost money and it is money worth spending.

Rhode Island KIDS COUNT also strongly supports Representative Karen Alzate's Revenue for Rhode Islanders Bill, H-7313 which would raise the state income tax on the top 1% of earners in Rhode Island, those households with income at or above \$625,000/year.

We urge the House Finance Committee to meet this moment and use tax dollars to protect our kids and families from the harm created by federal cuts. **There is no gimmick here – the needs are real, the harm is looming, and a solution is possible.**

Thank you for the opportunity to provide testimony.