

3/2/2026



The Honorable Marvin L. Abney
Chair, House Committee on Finance
Rhode Island State House
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Re: H. 7127 – Oppose: Article 5, Section 2 (Income Tax Rates / “Millionaires Tax”)

Dear Chairman Abney and Members of the House Committee on Finance:

I write as the President & CEO of igus, Inc., a Rhode Island–headquartered manufacturer that has operated in the state for 41 years. We employ more than 525 Rhode Islanders across engineering, manufacturing, technical, and professional roles and continue to grow. Over the past three years alone, we have invested more than \$45 million of capital into our location here in Rhode Island, expanding our facilities from approximately 250,000 square feet to nearly 700,000 square feet. These investments reflect long-term confidence in Rhode Island’s workforce and economic potential.

I respectfully oppose H. 7127, which would create a new 8.99% income tax bracket on income over \$1.0 million. My opposition is not ideological, but rooted in practical concerns about economic competitiveness, workforce retention, and long-term fiscal stability.

Rhode Island’s fiscal challenge is fundamentally structural. Spending growth has consistently outpaced revenue growth, and projected deficits persist even with new revenue proposals. Raising marginal tax rates may generate short-term revenue, but it does not resolve the underlying imbalance driving future budget gaps. Without addressing cost growth and efficiency, additional taxes risk becoming a recurring solution rather than a sustainable one, and that would drive companies like igus away.

From a business perspective, tax policy directly influences long-term decisions about investment, expansion, and talent. Many individuals affected by the proposed tax are business owners, senior leaders, founders, and entrepreneurs whose income is often reinvested into payroll, equipment, training, and innovation. For closely held and pass-through businesses, income reported on personal tax returns frequently stands for operating capital rather than disposable wealth.



Manufacturing, in particular, is capital-intensive and requires predictability. Equipment purchases, facility expansions, automation, and workforce development are multi-year (decades) commitments. Policies that increase uncertainty or reduce reinvestment capacity can delay expansion, slow wage growth, and make it harder to recruit and retain skilled talent in a highly competitive regional market. Companies like igus and many others compete on global scale and nationwide, RI is a less desirable environment already, we need to stop making it worse.

A more durable path forward is to focus on modernization, efficiency, and accountability in state spending. Large public programs represent a significant share of the budget, and improved systems, oversight, and use of technology (such as data analytics and AI) can reduce inefficiencies and recurring costs while improving outcomes. Pairing modernization with workforce training and skills development strengthens economic mobility and long-term fiscal health without weakening the state's competitiveness.

Rhode Island's long-term success depends on growing the tax base through economic growth, not narrowing it through higher marginal rates that may discourage investment and talent retention.

For these reasons, I respectfully urge the Committee to oppose H. 7127. I remain committed to Rhode Island and welcome continued engagement on policies that support a strong workforce, responsible budgeting, and sustained economic growth.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Felix Brockmeyer", with a long horizontal flourish extending to the right.

Felix Brockmeyer

President & CEO, igus, Inc.

Rhode Island