Members of the House Finance Committee –

Budget Article 5 harms business growth across Rhode Island and weakens our ability to attract and retain businesses in our state. Most Rhode Island businesses are organized as pass-through entities, meaning business income is reported through the owner's personal income tax return. Raising the top personal income tax rate therefore increases taxes directly on employers.

Adding additional tax burdens reduces the ability of employers to absorb rising costs, raise wages, expand payroll, and keep prices stable for consumers. If Rhode Island is serious about addressing affordability, policies should ease pressure on employers — not intensify it. When taxes increase at this level, growth slows. It means less capital available to hire and expand, slower wage growth, delayed investment in equipment and facilities, and greater caution in long-term planning.

Beyond its direct impact on existing businesses, Budget Article 5 sends the wrong signal to companies considering Rhode Island for expansion or relocation. Competitiveness matters.

Before increasing taxes on job creators, Rhode Island should focus on spending discipline and fiscal sustainability.

I respectfully ask that you oppose Budget Article 5 and support policies that strengthen growth and business attraction across Rhode Island.

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