



**TESTIMONY IN SUPPORT OF H7313
RELATING TO PERSONAL INCOME TAX**

Memo To: House Finance Committee
From: Angela Lima, Chief of Government Relations, Women's Fund of Rhode Island
Date: May 7, 2026

On behalf of the Women's Fund of Rhode Island, I respectfully submit this testimony in strong support of Senate Bill H-7313.

We appreciate the leadership of Governor Dan McKee in proposing to raise income taxes on the wealthiest Rhode Islanders. This proposal is an important step toward a more equitable tax system. We also commend Senator Melissa Murray for advancing H-7313, which builds on that effort and reflects the scale of investment our state urgently needs.

H-7313 would raise approximately \$203 million annually by establishing a 3% tax on income over \$640,000 per year. This policy would affect only about 6,100 households—roughly the top 1% of earners in Rhode Island—while generating \$68 million more per year than the Governor's proposal, which is estimated to raise \$135 million annually. This is a targeted and responsible approach to revenue generation that prioritizes fairness while meeting critical needs.

Rhode Island is facing mounting fiscal challenges. In July 2025, the federal government enacted sweeping cuts to healthcare and SNAP funding while providing tax breaks to high-income households. As a result, states are now under increased pressure to backfill essential services. It is both reasonable and necessary for Rhode Island to recapture a portion of this lost revenue.

The implications for our healthcare system are especially concerning. Rhode Island is projected to lose more than \$275 million annually in federal Medicaid funding beginning in fiscal year 2028. Without new, sustainable revenue, our state risks a healthcare sector crisis that would impact access to care, workforce stability, and health outcomes for communities across Rhode Island.

The revenue generated by H-7313 would support vital investments in healthcare, food assistance, affordable childcare, public education, public transportation, and senior services—systems that are essential to economic stability and opportunity.

From the perspective of the Women's Fund of Rhode Island, this legislation is also a critical step toward advancing gender equity. Women—particularly women of color—are disproportionately concentrated in lower-wage jobs and are more likely to rely on public supports such as Medicaid, childcare assistance, and nutrition programs. They also shoulder a disproportionate share of unpaid caregiving responsibilities. When these systems are underfunded, women experience the greatest impact. Strategic public

investment helps close economic gaps, supports workforce participation, and strengthens families and communities.

We also strongly oppose proposals that would reduce critical state revenue in ways that disproportionately benefit the wealthiest Rhode Islanders. Specifically, we oppose any efforts to weaken or eliminate the estate tax, which generates nearly \$100 million annually. We also oppose efforts to eliminate taxes on Social Security income, which would reduce state revenue by approximately \$60 million per year while primarily benefiting the top 20% of earners. Importantly, seniors earning less than \$107,000 annually are already exempt from paying taxes on their Social Security income.

H-7313 represents a thoughtful, equitable, and necessary step toward ensuring Rhode Island has the resources needed to support its residents and economy.

We respectfully urge the Committee to pass H-7313.

Thank you for your consideration.

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.