



**Testimony in Support**  
**Act Relating To Taxation - Personal Income Tax**  
**May 7, 2026**

The Latino Policy Institute (LPI) strongly supports H7313. This legislation would establish an additional 3% tax on taxable income over \$640,000, impacting only the top 1% of earners in Rhode Island.

H7313 represents a targeted and equitable approach to revenue generation at a time when Rhode Island faces increasing fiscal pressure and growing community needs. By focusing only on income above \$640,000, this proposal ensures that those with the greatest capacity to contribute are helping sustain the systems that benefit all Rhode Islanders.

At LPI, our work centers on advancing economic equity and improving outcomes for Latino and other historically underserved communities. We consistently see how underinvestment in public systems such as education, healthcare, workforce development, and housing creates barriers to opportunity. This bill presents an opportunity to generate approximately \$203 million annually, which could be reinvested in these critical areas.

This legislation is especially important in the current federal context. Reductions in federal funding for programs such as Medicaid and SNAP are shifting increased financial responsibility to states. Rhode Island is projected to lose over \$275 million annually in federal Medicaid funding beginning in FY2028. Without new revenue, these cuts will have serious implications for access to care, economic stability, and overall system sustainability.

H7313 would provide the state with the fiscal capacity to protect and strengthen essential services, including healthcare, food assistance, affordable childcare, public education, transportation, and senior services, while affecting only a small share of households.

Additionally, LPI urges the General Assembly to maintain existing revenue streams, including the estate tax and current policies on the taxation of Social Security income. Proposals to reduce or eliminate these sources would disproportionately benefit higher-income households while reducing funding available for critical services.

Rhode Island's tax policy should reflect fairness, sustainability, and shared investment in our collective future. H7313 is a step in that direction. We urge the members of the committee to pass this bill. Thank you for your service and consideration.

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