



DATE: May 6, 2026

TO: The Honorable Marvin Abney, Chair and Members, House Finance Committee

FROM: Carol Costa, SACRI Executive Director & Maureen Maigret, SACRI Policy Advisor

RE: Support for H7313

SACRI's mission is to mobilize people to implement an agenda that improves the quality of life of older Rhode Islanders and adults with disabilities. We accomplish this through *community organizing, public education, advocacy, and legislative action.*

SACRI supports H7313, *An Act Relating to Taxation –Personal Income Tax* sponsored by Representatives Alzate, Fogarty, Potter, Giraldo, Donovan, Spears, J. Lombardi, Diaz, Cotter and Kazarian. The bill creates a 3% surtax for the top 1% of R.I. tax filers (on top of the current 5.99%) on taxable income above \$645,000. H7313 is projected to only impact 6,100 tax filers but generate \$203 Million in revenue to be reinvested back into the state.

The bill is being introduced at a critical time as the state faces millions of dollars in federal cuts supporting health and human service programs as a result of HRI. At the same time HR1 will provide wealthy R.I.ers an average tax cut of \$58,840. Reductions in federal funding will impact Medicaid, SNAP and insurance provided through HealthSource RI -- programs that residents age 60+ and adults with disabilities rely on to keep them healthy, safe and living at home or, when needed, to access quality long term care facility supports. Most of our state's older residents are not wealthy. Census data shows one out of four older households have income less than \$25,000, 45% have income less than \$50,000, only about 19% have income over \$100,000. In FY2023, 27,535 persons age 65 and over were on the state Medicaid program that pays for a vast majority of long term supports and services not covered by Medicare. Data also shows 14.7% of R.I. older adults are enrolled in the SNAP program helping them with food costs. (RI Healthy Aging Data Report 2025)

Revenue derived from the 3% surtax can be used to ensure adequate funding for important programs that support persons of all ages including our growing older population and adults with disabilities. This revenue should also be used to shore up funding for our severely underfunded RI Office of Healthy Aging to effectively respond to the needs of our growing population of older adults.

Data prepared by the Economic Progress Institute dispels the myth that raising taxes on the state's highest income residents would lead to their mass exodus from the state. The report noted there is no evidence linking changes in top tax rates with large-scale net migration of higher-income residents or of interstate migration in general and, specifically, in Massachusetts where voters approved a 4% surtax on income over \$1M in 2002. Taxing the top 1% is also not a tax on business income as an estimated 90% of pass-through business entities are not in the TOP filers.

We were pleased to see that Governor McKee's budget proposal included a "Millionaire's" tax projected to generate \$130M annually. However, we believe H7313 is a far preferable way to generate revenue needed to counteract the impact of HR1 and continue to provide important health and human services to R.I.ers. Thank you for your consideration. We urge you to act favorably on this bill.