

House Committee on Finance ,

The time to generate sustainable revenue by moderately taxing the highest-income Rhode Islanders is NOW. I urge you to make the reasonable, democratic, fiscally responsible, and moral choice to pass Rep. Alzate's and Sen. Murray's HB-7313/SB-2238, which would prioritize the well-being of more than one million Rhode Islanders over the continued benefit of several thousand tax filers.

This bill could fund much needed investments in healthcare, food security, childcare, public education, public transportation, seniors services that would benefit all Rhode Islanders.

Rep. Alzate's and Sen. Murray's HB-7313/SB-2238

- Generates more than \$200 million in annual revenue.
- Taxes the top 1% of income earners in RI by creating a 3% surtax on income above \$640,000 after all deductions average total income of \$772,000/year); this would not affect income below those thresholds.
- Affects only 6,100 (out of more than 500,000) tax filers.
- Has no restricted receipts account.
- Provides much needed revenue for healthcare and essential services.
- No credible threat that high-income earners will leave the state (MA has gained millionaires)

The facts show that Rhode Island's highest-income residents have fared well, even during challenging times. The 2017 Tax Cuts and Jobs Act (TCJA) disproportionately benefited the highest-income households, and in 2025, H.R. 1 cut billions of dollars in funding for Medicaid and SNAP to make tax breaks for the wealthiest Americans permanent. The top 1% in RI are getting an average federal tax break of more than \$58,000.

Meanwhile, Rhode Island families face rising costs, stagnant wages, service cuts for RIPTA, and federal funding cuts resulting in tens of thousands of Rhode Islanders losing healthcare and SNAP. According to the Economic Progress Institute's 2024 Rhode Island Standard of Need Report, 68% of single adults in RI, 78% of single-parents with two children, and 34% of two-parent households with two children

cannot afford to meet their basic needs without assistance. I implore you not to balance the budget on the backs of Rhode Islanders who are already struggling.

Regarding concerns that high-income earners will leave the state if such a proposal is enacted, the evidence and data clearly demonstrate that interstate mass migration does not occur in response to top tax rates or changes in those rates. The Massachusetts Fair Share Amendment has proven a runaway success, with annual revenue collections and estimates well above \$2 billion – and MA has increased their number of millionaires since passing this law.

Polling consistently shows strong support for proposals like HB-7313/SB-2238. Your constituents are calling on you to rise to the occasion, to listen to their voices, and to invest in the programs and services that sustain and uplift us all. Please ensure that RI becomes a place where everyone—not just the top 1%—can thrive. We strongly urge passage of HB-7313/SB-2238.

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