Testimony in OPPOSITION to H-7805 to Enact a Phased Reduction of Personal Income Tax Rates
House Committee on Finance
May 7, 2026
Alan Krinsky, Director of Research and Fiscal Policy

The Economic Progress Institute **opposes Representative Serpa's H-7805 and its proposal to reduce personal income tax rates by 10 percent over 5 years.**

While this proposal appears on the surface to provide across-the-board tax savings for Rhode Islanders, the proportional reductions mask the fact that this would **be a massive tax cut primarily benefiting those with the highest incomes**.

At the request of the Economic Progress Institute (EPI), the Institute on Taxation and Economic Policy (ITEP) analyzed this proposal and arrived at the following estimates:

Year	Revenue Loss	Benefit to Top 1%	Benefit to Top 5%	Benefit to Top 20%	Benefit to Lowest 20%
2027	**$44 million**	28.1%	49.3%	74.2%	**0.2%**
2028	**$92 million**	27.1%	48.1%	73.4%	**0.2%**
2029	**$136 million**	27.4%	48.5%	73.7%	**0.2%**
2030	**$183 million**	27.1%	48.1%	73.5%	**0.2%**
2031	**$227 million**	27.3%	48.3%	73.6%	**0.2%**

While 100 percent of the Top 1 percent will receive an average tax cut of $10,099 when this is fully implemented, **only 30 percent of the Lowest 20 percent income group will receive any tax cut, and that will be an average of $13**.

This is not broad-based tax relief. It would be a catastrophic revenue loss to benefit those who already have the most resources.

We urge you *not* to advance H-7805 to the House floor.