



1800 Mineral Spring Ave
Suite 271
North Providence, RI 02904
401-544-6797
NFIB.com

Testimony of
Christopher Carlozzi, NFIB State Director
In Opposition to House Bill No. 8198
Relating to Taxation -Liability and Computation
May 7, 2026

Chairman Abney and Members of the House Committee on Finance:

My name is Christopher Carlozzi. I am the Rhode Island State Director for NFIB. A non-profit, non-partisan organization, NFIB is the nation's and our state's largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. NFIB represents the small Main Street business owners from throughout Rhode Island. On behalf of those small and independent business employers, I urge you to oppose House Bill No. 8198, subjecting digital and online advertising to taxation.

NFIB opposes House Bill No. 8198, the taxation of digital and online advertising, knowing the cost will be ultimately borne by the small businesses who utilize these services despite the prohibition on passing the expense to consumers. Online advertising is being used more frequently by small businesses seeking creative, affordable ways to reach out to consumers and create a new customer base. This method of advertising was increasingly utilized to connect with prospective customers as people changed the way they receive news and information. If these ads are subject to state taxes, it will mean the extra cost will be passed directly to the consumer: small businesses. Rhode Island should not make it more expensive to do business in this state.

Maryland became the first state in the nation to implement a digital ad tax after overriding a gubernatorial veto. That state's law now faces a lengthy legal challenge from both tech companies and business groups. Rhode Island should reject this new tax proposal that will only harm small businesses simply trying to grow the state economy and create new jobs.

I strongly urge you to oppose House Bill No. 8198, taxing digital and online advertising. Thank you.