



May 8, 2026

The Honorable Marvin Abney  
Chairman, House Finance Committee  
Rhode Island State House  
Providence, RI 02903

[HouseFinance@rilegislature.gov](mailto:HouseFinance@rilegislature.gov)

**Oppose H 8198 – digital advertising tax**

Dear Chairman Abney and Members of the Committee:

On behalf of the Greater Providence Chamber of Commerce, I write to express our strong opposition to H. 8198, legislation that would impose a 2.5 percent tax on the purchase of digital advertising services.

While we recognize the ongoing fiscal challenges facing the State and the importance of maintaining stable revenue streams, this proposal would create significant unintended consequences for Rhode Island businesses, consumers, and the overall competitiveness of our economy.

Digital advertising has become an essential tool for businesses of every size. For many small and medium-sized employers, online advertising platforms provide one of the most affordable and effective ways to reach customers, build brand awareness, and compete in an increasingly digital marketplace. A new tax on these services would increase operating costs for Rhode Island businesses at a time when employers continue to face inflationary pressures, workforce challenges, and rising costs across nearly every aspect of operations.

Importantly, the financial impact of this proposal would not be absorbed solely by large technology companies. These additional costs are likely to be passed along to businesses purchasing advertising services and, ultimately, to consumers through higher prices for goods and services. At a time when affordability remains a major concern for Rhode Island families, this legislation would effectively function as another hidden cost borne throughout the economy.

We are also concerned that this proposal could place Rhode Island at a competitive disadvantage. Businesses today operate in a regional and national marketplace and creating additional tax

complexity around digital commerce may discourage investment and economic activity in our state. Rhode Island should be focused on policies that encourage innovation, entrepreneurship, and business growth — not policies that increase costs and create uncertainty.

In addition, digital advertising taxes have proven difficult to administer and enforce in other states, often leading to legal disputes and implementation challenges. Moving forward with a policy that carries significant administrative uncertainty could create unnecessary complications for both the business community and state government.

For these reasons, the Greater Providence Chamber of Commerce respectfully urges the Committee to oppose H. 8198.

Thank you for your consideration and continued attention to Rhode Island's economic competitiveness.

Sincerely,



Laurie White  
President  
Greater Providence Chamber of Commerce