



May 21, 2026

The Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island House of Representatives
State House
Providence, Rhode Island 02903

RE: Strong Support for House Bill No. 8190 – Estate and Transfer Taxes – Liability and Computation

Dear Chairman Abney and Honorable Members of the House Finance Committee:

Thank you for your leadership and for the opportunity to provide testimony in **strong support of House Bill No. 8190**, legislation that responsibly phases in estate tax reform by increasing Rhode Island's exemption threshold and ultimately eliminating the tax beginning January 1, 2033.

Rhode Island's estate tax is not simply a tax policy issue. It is a **competitiveness issue, an economic development issue, a small business issue, a workforce issue, and a capital retention issue.**

Today, only **12 states and the District of Columbia maintain an estate tax.** The overwhelming majority of states — including many of Rhode Island's direct economic competitors — have either never adopted or ultimately eliminated this tax because policymakers concluded that long-term economic growth, capital formation, business continuity, investment attraction, and resident retention matter.

Business owners make choices.

They choose where to live. They choose where to invest. They choose where to retire. They choose where to transfer ownership, build wealth, expand operations, and establish long-term residency.

Estate tax policy influences those decisions.

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And contrary to common perception, this issue is not confined to billionaires or ultra-wealthy households. Rhode Island's estate tax affects **closely held businesses and family enterprises across our economy** — manufacturers, distributors, auto repair businesses, neighborhood restaurants and bakeries, beauty and barber shops, farms, contractors, retailers, trades businesses, and multi-generation family companies.

Many of these businesses are not sitting on vast reserves of liquid wealth. They are **asset-rich but cash-poor**. Their value is embedded in equipment, facilities, inventory, customer goodwill, and decades of sacrifice and hard work.

When ownership transitions occur, families can face difficult decisions involving borrowing, forced sales, restructuring, downsizing, or relocating wealth and residency elsewhere.

That is not a formula for economic growth.

The reality is simple: **people move, capital moves, and businesses follow people and capital.**

One of Rhode Island's most widely respected business and philanthropic leaders illustrates this challenge clearly.

For generations, **John Hazen White, Jr.**, former CEO of Taco Comfort Solutions, invested deeply in Rhode Island manufacturing, workforce development, education, charitable institutions, and civic life. Today, he is a permanent resident of Florida — a state with no estate tax.

This testimony is not about one individual. It is about a broader reality policymakers across the country recognize: **tax policy affects behavior.**

Opposition to this legislation deserves careful scrutiny because, respectfully, much of the criticism does not align with broader interstate experience.

Many states that reduced, reformed, or eliminated estate taxes did not collapse fiscally. In fact, states across the country continue to fund programs supporting vulnerable populations, education, healthcare, workforce development, and critical public services without relying on estate taxes.



The question before Rhode Island policymakers is not whether government should fund important priorities.

The question is whether Rhode Island should continue maintaining policies that encourage business owners, investors, entrepreneurs, retirees, philanthropists, and generational wealth creators to establish residency somewhere else.

Rhode Island cannot continue chasing away portions of its tax base while simultaneously expecting a shrinking group of taxpayers to shoulder ever-expanding obligations.

You cannot reasonably expect a small percentage of the population to fund an increasingly larger state budget indefinitely.

Business owners have options. They can choose Rhode Island — or they can choose another state.

Many already do.

Those opposing reform should be prepared to explain why Rhode Island should continue maintaining policies that risk discouraging investment, reducing resident retention, and limiting opportunities to expand our tax base through economic growth and capital attraction.

House Bill No. 8190 offers a thoughtful, measured approach.

Rather than abrupt repeal, it phases reform responsibly:

- **\$5 million exemption beginning January 1, 2027**
- **\$7.5 million beginning January 1, 2029**
- **\$10 million beginning January 1, 2031**
- **Full elimination beginning January 1, 2033**

This structure provides predictability, planning certainty, and a clear signal that Rhode Island intends to compete for entrepreneurs, employers, investors, family businesses, and philanthropic leaders.



Rhode Island cannot simultaneously pursue economic growth, entrepreneurship, workforce investment, manufacturing expansion, small business development, and stronger community investment while maintaining policies that incentivize capital and residency migration.

House Bill No. 8190 recognizes that reality.

Thank you, Chairman Abney, for your leadership and thoughtful consideration of this important legislation. We respectfully urge favorable consideration and passage of House Bill No. 8190.

Respectfully submitted,

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