Good morning

I received the below as part of an email from the Northern Rhode Island Chamber of Commerce.

The House Finance Committee will meet at the Rise in Room 35 to take testimony on H.8190, An Act Relating to Taxation – Estate and Transfer Tax. The bill proposes a phase-out of the estate tax: an exemption of $5 million for deaths occurring January 1, 2027; $7.5 million as of January 1, 2029, $10 million starting January 1, 2031, and a complete elimination of the tax as of January 1, 2033.

I understand that people who oppose the bill explain that there is only anecdotal evidence that wealthy people leave the State permanently or for at least seven months of the year in order to escape the tax. I am not aware of any other type of more accurate information on that topic

But from my perspective as an estate planning attorney, I see that happen very often. It is a common and legal tax avoidance strategy.

It can't be good for the State when anyone with a net worth of over $2 million considers moving out of State for at least the majority time of the year. Would changing this law cause more people to stay in State longer and pay other types of taxes (income, sales, restaurant, gas, etc.) to offset the loss in estate tax revenue? Or is there some better way to raise revenue or cut costs?

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