



March 27, 2024

227 SCHOONER DRIVE TIVERTON, RHODE ISLAND 02878

The Honorable Arthur J. Corvese  
Chairman, House Committee on Labor  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

**Re:    *Opposition to H 7531***

Chairman Corvese and Members of the House Labor Committee,

As the General Manager of Boat House Waterfront Dining located in Tiverton, I write to express my opposition to H 7531, which would eliminate the tipped minimum wage.

There is a reason people choose tipped restaurant jobs – they know the economics are in their favor. Tipped workers take these jobs for the earning potential.

The median full-service restaurant tipped worker makes nearly \$29.00/hour in Rhode Island. In my restaurant, that number can go as high as \$50 per hour.

Tip elimination would require me to increase prices on my menus to a point where dining in my establishment would be undesirable to all but the wealthiest of diners. I fear I would also lose a great deal of my wonderful servers and bartenders who can easily drive an extra 5 minutes north of this location to work in Massachusetts and continue to receive the same level of tips they do now.

No tipped worker ever makes less than the prevailing minimum wage for any hour they work. Historically, when tip credit has been eliminated, the level of consumer tipping has dropped because of menu price increases or imposition of house service fees.

You may think by eliminating the tip credit you will be helping employees, but it will drastically change their earnings. The elimination of the tip credit will drastically change one of the fundamental business models in the industry, forcing me to quickly make changes to how we operate and force us to find ways to bear the cost of \$10.11 more per hour for each tipped employee. This does not include the additional payroll costs such as workers' compensation and other costs that are directly related to payroll.

The elimination of tip credit could be a catastrophe for our industry. I respectfully ask that you oppose H 7531. Thank you for your consideration.

Sincerely,  
Daniel Reid  
Newport, RI