



Construction Industries of Rhode Island

TO: Chairman Louis DiPalma, Senate Finance Committee

RE: Budget Article 5

Dear Chairman DiPalma and Finance Committee members,

Construction Industries of Rhode Island (CIRI) is advocating for your opposition to Budget Article 5, the “millionaire’s tax” that harms not only our companies but a multitude of companies across Rhode Island.

Several CIRI membership companies are generational family businesses that are structured as pass-through entities with the business income allocated through the owner’s personal income tax return. Increasing this income tax correlates to a direct tax on these employers.

Rhode Island employers are facing rising costs in energy, insurance, wage increases, supply issues, and this tax would create less affordability for everyone in Rhode Island. If this tax is implemented, there will be less working capital that the employers can utilize to reinvest into their companies, hiring additional employees and increasing wages. These things should be considered prior to any decision regarding the increase in taxes.

Kindly note that CIRI is a group of sixty-four (64) companies that employ a thousand plus individuals working within our state. We are hopeful that as elected officials, you are doing everything within your authority to ensure that the state not only has all Rhode Island companies remain here but also be a state where new companies want to locate. Positive tax policy is a key to accomplishing this goal.

Respectfully,

Ernest Carlucci

CIRI Executive Director