



April 30, 2026

The Honorable Louis DiPalma
Chair, Senate Committee on Finance
Rhode Island State House
82 Smith Street, Providence, RI 02903

RE: H7127 Article 5 Section 2, 5,

I write in support of the proposed Budget Article amending the Rhode Island income tax structure and pass-through entity taxation provisions.

NEARI strongly supports the spirit of a millionaire's tax. Those with the greatest ability to pay should contribute their fair share to sustain the public investments that benefit all Rhode Islanders. At a time when working families continue to face rising costs, it is reasonable to ask the wealthiest earners to shoulder a greater share of the responsibility.

The proposed changes taking effect in 2027 move our tax code decisively in a more equitable direction. These updates appropriately recognize that many high-income earners benefited from substantial federal tax relief under Tax Cuts and Jobs Act of 2017 (H.R. 1).

By implementing this adjustment now, the state ensures that the added obligation at the state level is balanced by the significant federal tax reductions these taxpayers have already received. As a result, high-income earners are unlikely to experience a dramatic increase in their overall net tax burden. Instead, this change restores balance and fairness—aligning state tax policy with the broader goal that those who have benefited most from federal tax cuts contribute appropriately at the state level.

This policy would be stronger and more precisely targeted with an amendment or incorporation of Chairwoman Murray's S2238 which establishes that the additional tax structure applies to filers with taxable income above \$640,000. Setting that threshold ensures the burden is shared by the wealthiest one percent of earners, while avoiding unintended impacts on those who do not fall within that highest tier.

With this refinement, the Budget Article would reflect both fairness and fiscal responsibility. I respectfully urge you to support the concept and to adopt an amendment clarifying the structure for filers with taxable income over \$640,000.

Sincerely,

A handwritten signature in blue ink that reads "Alexander Lucini". The signature is written in a cursive style and is positioned above a light blue rectangular background.

Alexander Lucini
Government Relations Director, NEARI