



April 2, 2026

The Honorable Louis DiPalma
Chair
Senate Finance Committee
State House
82 Smith Street
Providence, RI 02903-1105

RE: Oppose S. 2092 — Rideshare/TNC Vehicle Surcharge

Dear Chair DiPalma and members of the Committee:

On behalf of Chamber of Progress, a tech industry coalition promoting technology's progressive future, **I respectfully urge you to oppose S. 2092**. By imposing a new \$0.75 per-ride surcharge on transportation network company (TNC) trips, this bill would raise costs on Rhode Islanders already squeezed by the rising cost of living, cut into driver earnings, reduce access to local businesses, and fall hardest on vulnerable communities.

A per-ride surcharge is a regressive tax on families already struggling with the cost of living

The cost of living is the top issue facing American families.¹ Rhode Islanders are contending with elevated prices for housing, groceries, childcare, and transportation. A parent juggling two jobs who relies on rideshare to get to a night shift because the bus no longer runs, or a senior on a fixed income using it to reach a medical appointment, feels every added dollar. S. 2092 would add to that pressure by taxing one of the most affordable transportation options available.

A flat per-ride surcharge is regressive by design. It takes the same \$0.75 from a worker catching a short ride across town as it does from a business traveler heading to the airport. But for the worker, that \$0.75 represents a far larger share of the fare and a far greater strain on their budget. The people who take the shortest, cheapest trips – the ones closest to home, for the most essential reasons – end up paying the highest effective rate. That is the opposite of how a fair tax should work.

¹ Erin Doherty, "New poll paints a grim picture of a nation under financial strain," *POLITICO*, Dec. 10, 2025. <https://www.politico.com/news/2025/12/10/poll-affordability-cost-of-living-00678076>

RIPTA's service cuts have left Rhode Islanders with fewer options

RIPTA's recent service reductions make this a particularly bad time for a new rideshare surcharge. Facing a \$17.6 million budget deficit, RIPTA reduced service on 45 bus routes in September 2025, cutting 113,684 annual hours of service.²³ The cuts hit weekends and off-peak hours hardest. By November, affected routes saw a 14% average ridership decline, roughly 4,033 fewer daily riders, and system-wide ridership dropped 12.1%.⁴ 70% of bus drivers reported leaving passengers at bus stops weekly due to overcrowding.⁵ For residents who lost reliable bus service, rideshare is not a luxury – it is often the only option available.

This bill taxes trips that Rhode Islanders cannot afford to skip

Research on ride-hail users has found that 16% would not have made their trip at all if rideshare were unavailable.⁶ These are missed healthcare appointments, lost work shifts, and forgone grocery runs. More than a quarter of Lyft riders say they would be less likely to make healthcare appointments without rideshare, and nearly a quarter say they would struggle to pick up medications.⁷ Rideshare also fills gaps in the transit network. Nearly half of Lyft riders nationally use rideshare to connect to public transit,⁸ covering first- and last-mile stretches that RIPTA does not reach.

Nearly one in five Rhode Islanders is 65 or older, and 13.5% of the state's population reports at least one disability.⁹¹⁰ For someone who cannot drive, a \$0.75 surcharge on every trip adds up quickly and amounts to a recurring tax on their ability to get around.

S. 2092 falls hardest on communities of color

When Chicago imposed a comparable per-ride TNC surcharge, researchers found that the welfare costs fell mainly on riders in non-white neighborhoods, which also saw the

² What's Up Newp, "RIPTA Cuts to Affect 58 Bus Routes Amid \$17.6 Million Budget Deficit," Jul. 2025.

<https://whatsupnewp.com/2025/07/ripta-cuts-to-affect-58-bus-routes-amid-17-6-million-budget-deficit/>

³ Brown Daily Herald, "RIPTA Ridership Falls 14% Due to Service Cuts, Report Finds," Jan. 2026.

<https://www.browndailyherald.com/article/2026/01/ripta-ridership-falls-14-due-to-service-cuts-report-finds>

⁴ *Ibid.*

⁵ *Ibid.*

⁶ Xiaoxia Dong, "Bye-Bye Bus: Ride-Hail in Philadelphia," Penn Kleinman Center for Energy Policy, Jul. 2019.

<https://kleinmanenergy.upenn.edu/research/publications/bye-bye-bus-ride-hail-in-philadelphia/>

⁷ Lyft, 2024 Economic Impact Report, 2025.

https://s27.q4cdn.com/263799617/files/doc_downloads/2025/Lyft-2024-Economic-Impact-Report-202503.pdf

⁸ *Ibid.*

⁹ America's Health Rankings, "Explore Population — Age 65+ in Rhode Island," United Health Foundation, 2024.

https://www.americashealthrankings.org/explore/measures/pct_65plus/RI

¹⁰ Annual Disability Statistics Compendium, "2023 State Report for County-Level Data: Prevalence — Rhode Island," University of New Hampshire, Institute on Disability.

<https://iodrrtc.sr.unh.edu/compendium/2023-state-report-for-county-level-data-prevalence/RI>

steepest drops in rideshare usage.¹¹ **The tax did not reduce trips evenly across the city; it reduced them most in the communities that had the fewest alternatives to begin with.**

Rhode Island's income disparities suggest a similar pattern would follow here. The median household income for White Rhode Islanders is \$92,346, compared to \$63,513 for Black households, a gap of nearly \$29,000.¹² A flat \$0.75 surcharge consumes a meaningfully larger share of a \$63,000 household budget than a \$92,000 one. Families of color already spend a disproportionate share of their income on transportation, and this surcharge would only widen that gap.

Increasing fees decreases earning opportunities for Rhode Island drivers

App-based work is a real part of Rhode Island's economy. Approximately 26,000 Rhode Islanders are active on app-based platforms, and 36% of residents report having earned income through one.¹³ For many of these workers, rideshare driving is how they cover rent, support their families, or bridge gaps between other jobs.

Increasing the cost of rideshare reduces demand, and fewer rides mean fewer earning opportunities. In Chicago, a comparable rideshare tax produced a 7.1% decline in total TNC trips and an 11% decline in single-occupant rides.¹⁴ A separate analysis found a 10.6% drop in overall rideshare demand, with short-distance trips hit hardest because the flat fee represented the largest share of those lower fares.¹⁵ Each lost trip is lost pay for a Rhode Island driver.

The surcharge will reduce access to local businesses and deter visitors

Affordable rideshare keeps Rhode Island's businesses within reach for residents and visitors who don't own cars. Rhode Island welcomed a record 29.4 million visitors in 2024, generating \$6 billion in spending and supporting 88,509 jobs – 13% of all state employment.¹⁶ Air travel to the state grew 11.1%, meaning more visitors are arriving without personal vehicles and relying on rideshare to reach Providence restaurants, Newport attractions, and coastal communities.

¹¹ Mario Leccese, "Taxing Ride-Sharing: Which Neighborhoods Pay More?," *Journal of Regional Science* 64, no. 4 (2024). <https://onlinelibrary.wiley.com/doi/10.1111/jors.12704>

¹² Neilsberg, "Rhode Island Median Household Income by Race — 2025 Update," based on U.S. Census Bureau ACS 2019–2023 5-Year Estimates. <https://www.neilsberg.com/insights/rhode-island-median-household-income-by-race/>

¹³ Flex Association, "Impact by State," 2024. <https://www.flexassociation.org/industry-impact/economic-impact-by-state/>

¹⁴ Yunhan Zheng et al., "Impacts of Congestion Pricing on Ride-Hailing Ridership: Evidence from Chicago," *Transportation Research Part A: Policy and Practice* 170 (2023). <https://www.sciencedirect.com/science/article/abs/pii/S0965856423000599>

¹⁵ Yuan Liang et al., "The Short-term Impact of Congestion Taxes on Ridesourcing Demand and Traffic Congestion: Evidence from Chicago," arXiv:2207.01793 (2023). <https://arxiv.labs.arxiv.org/html/2207.01793>

¹⁶ Office of the Governor, State of Rhode Island, "Governor McKee Announces Record 29.4 Million Visitors to Rhode Island in 2024," Oct. 2025. <https://governor.ri.gov/press-releases/governor-mckee-announces-record-294-million-visitors-rhode-island-2024>

T.F. Green Airport already charges a \$3.50 fee on every rideshare trip to or from the terminal.¹⁷ When the airport attempted a \$6 surcharge in 2018, Uber suspended service at T.F. Green entirely for two months.¹⁸ Under S. 2092, a \$15 UberX ride from the airport would carry \$3.50 in airport fees, \$1.05 in sales tax, and a \$0.75 surcharge – \$5.30 in total fees, a 35% markup on the base fare. Nationally, rideshare and delivery services generated \$32 billion in additional revenue for restaurants, grocers, and local businesses in 2022.¹⁹ Raising the cost of a ride means less foot traffic for those businesses.

For these reasons, **we urge the Committee to oppose S. 2092.** Chamber of Progress supports investing in Rhode Island's transit infrastructure and street improvements. But S. 2092 asks the residents with the fewest transportation options to shoulder that burden through a regressive surcharge. Rhode Islanders deserve better transit infrastructure *and* affordable transportation options. Rhode Islanders should not be forced to choose between them.

Sincerely,



Hope Ledford
Director of Civic Innovation Policy

¹⁷ Rhode Island Current, "Uber, Lyft Ride Fees Increase \$1 at T.F. Green Airport," Nov. 2024. <https://rhodeislandcurrent.com/briefs/uber-lyft-ride-fees-increase-1-at-t-f-green-airport/>; WPRI, "Uber returning to T.F. Green after fee dispute," 2018. <https://www.wpri.com/news/uber-returning-to-tf-green-after-fee-dispute/>

¹⁸ Rhode Island Current, "Uber, Lyft Ride Fees Increase \$1 at T.F. Green Airport," Nov. 2024. <https://rhodeislandcurrent.com/briefs/uber-lyft-ride-fees-increase-1-at-t-f-green-airport/>; WPRI, "Uber returning to T.F. Green after fee dispute," 2018. <https://www.wpri.com/news/uber-returning-to-tf-green-after-fee-dispute/>

¹⁹ Flex Association, "App-Based Industry Contributes Over \$212 Billion Annually to the U.S. Economy," Mar. 21, 2024. <https://www.flexassociation.org/app-based-industry-contributions-to-the-economy/>