



April 30, 2026

Testimony in Support of Senate Bill 2238: Wealth Proceeds Tax

Senator Louis P. DiPalma, Chair

RI Senate Finance Committee

Dear Chairman DiPalma and the esteemed members of the Senate Finance Committee,

We are writing in **support of Senate Bill 2238**, which would create an additional tax rate of 3% on taxable income over \$640,000.

Federal funding cuts have left the residents of Rhode Island in the precarious position of facing cuts to valuable public services, such as transportation, energy efficiency programs, and infrastructure. The funds from the proposed tax rate could be used to sustain and expand these public services, while supporting the objectives of the 2025 Rhode Island Climate Action Strategy. With additional funding, RIPTA could electrify the fleet, DRIVE could increase state EV incentives, Rhode Island Energy could expand energy efficiency programs for low income families, the RI Department of Education could provide climate education for all ages; all are positive possibilities for Rhode Islanders and our climate strategy.

As the current tax system stands, middle- and low-income Rhode Island families pay a higher share of their income in state and local taxes than the wealthiest do. Senate Bill 2238 begins to correct that imbalance by ensuring that those who have benefited the most from our economy contribute their fair share back into the public services we all rely on and make a positive impact on our state's climate action policy.

By supporting this tax on high earners, we are investing in a more independent, sustainable, and resilient Rhode Island.

Respectfully,

Alison E.

Politics Team

Climate Action Rhode Island