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April 30, 2026

The Honorable Louis P. DiPalma
Chair, Senate Finance Committee, Rhode Island State House

Re: **Support Senate Bill 2238 – An Act Relating to Taxation – Personal Income Tax**

Dear Chair DiPalma and Members of the Committee:

The Protect Our Healthcare Coalition is a group of leading Rhode Island non-profits and consumer groups with a shared mission to protect, improve, and expand equitable access to quality, person-centered, affordable health care for all.

The Millionaires' Tax is essential. **However, due to Rhode Island's numerous needs and that the wealthiest Rhode Islanders got significant tax breaks at the federal level, the Coalition recommends that the General Assembly pass Senate Bill 2238, sponsored by Senator Murray, that would tax the top one percent (1%) of earners in Rhode Island.**

We believe that **ensuring tax fairness** is necessary to addressing our state's crisis in healthcare access and health system stability. We can no longer afford not to act. SB 2238 will raise \$203 million annually in new state general revenue, which is \$68 million more per year for Rhode Islanders than the millionaires' tax, which would raise \$135 million per year.

These dollars are needed to sustain essential state services and programs, especially as we confront catastrophic cuts to Medicaid and the Affordable Care Act marketplace. **In Fiscal Year 2028, Rhode Island will lose nearly \$400 million in combined state and federal Medicaid funding, and more than 53,000 Rhode Islanders are projected to lose their health insurance.**

As noted by researchers with the [Center on Budget and Policy Priorities](#),

“Targeted tax hikes at the top make state and local tax systems fairer, while also generating substantial revenues for investments in education, infrastructure, and other services that promote equity and broad-based prosperity. And although critics warn that new taxes on high-income earners hurt the economy or drive wealthy people to leave the state, such tax-based migration is uncommon and states that have raised taxes at the top have similar economic performance as other states.”

Our current tax system is heavily skewed in favor of the highest-income Rhode Islanders, who pay a much lower percentage in taxes as a share of their annual income. The bill's proposed 3% surcharge on the top one percent of earners helps address growing wealth disparities, while generating important revenue for the State's future. Having the top one percent of earners pay a fair share is essential to the state's capacity to invest in building a stronger, healthier Rhode Island.

We urge passage of the three percent (3%) income surtax for the top one percent (1%) of earners in SB 2238.

Thank you for your consideration,

Alexandra Steinberg
Coordinator, Protect Our Healthcare Coalition

Protect Our Healthcare Coalition partners include: Economic Progress Institute, RIPIN, Mental Health Association RI, Latino Policy Institute, United Way of Rhode Island, Senior Agenda Coalition RI, RI Medical Society, Planned Parenthood of Southern New England, SEIU Rhode Island Council, American Cancer Society Cancer Action Network, Blood Cancer United, RI Coalition for the Homeless, Rhode Island Working Families

Party, Mental Health Recovery Coalition, RI Community Food Bank, RI Psychological Association, Substance Use & Mental Health Leadership Council, Rhode Island Coalition for Children and Families, HousingWorks RI, Rhode Island Organizing Project (RIOP), National Association of Social Workers RI Chapter, The Womxn Project, Advocates for Better Care
