



April 30, 2026

The Honorable Louis P. DiPalma, Chairman
Senate Finance Committee
State House
Providence, RI 02903

Re: S.2361, An Act Relating to Taxation – Wealth Tax

Dear Chairman DiPalma,

The undersigned members of the Rhode Island Business Coalition oppose Senate Bill 2361 which proposes an additional one percent tax on Rhode Island residents with more than \$25 million in assets as defined in the bill.

Rhode Island already ranks near the top of states in the progressive nature of its income tax code. According to a recent analysis by the Rhode Island Public Expenditure Council (RIPEC), the top one percent of income tax returns account for 35% of the tax liability. By two different measures, Rhode Island has the 11th or 13th most progressive income tax in the country.

Senate Bill 2361 would make Rhode Island an outlier with states across the country as no state has enacted such a “wealth tax”. In fact, according to the Tax Foundation, *“many developed countries have repealed their net wealth taxes in recent years and among Organisation for Economic Co-operation and Development (OECD) countries, only four currently impose one: Colombia, Norway, Spain, and Switzerland.”*

As this Committee knows well, Rhode Island has often lagged the rest of the country in creating jobs and population growth. As a state, we should be enacting laws to incent people to move here to create jobs and invest. This legislation sends the exact opposite message. Now more than ever, individuals and business owners can live and work anywhere. Enacting a tax that punishes success would seem to be a pretty good reason for someone to pick up and move, even simply moving over the border to avoid the punitive tax proposed in this legislation.

We are seeing this in our healthcare system with health care providers moving their practices across the border to receive higher reimbursement rates for the same services they provide in

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

Rhode Island. The same results will happen should this legislation pass, only the individuals impacted will move their residency, likely taking their philanthropic contributions as well as the significant income tax revenue they were providing to the state.

This proposal will discourage investment and entrepreneurship. Neighboring states with more favorable tax climates may become more attractive to potential residents and businesses, leading to a potential outflow of capital and talent from Rhode Island.

Rhode Island benefits more by growing businesses and strong job growth, both of which are disincentivized under S.2361. For that reason, we ask the committee not to pass this legislation. As we head into uncertain economic times, Rhode Island must make every effort to promote policies that stimulate economic growth.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter
East Greenwich Chamber of Commerce
Greater Newport Chamber of Commerce
National Federation of Independent Business
Propane Gas Association of New England
Rhode Island Association of Realtors
Rhode Island Bankers Association
Rhode Island Business Group on Health
Rhode Island Hospitality Association
Rhode Island Marine Trade Association
Rhode Island Society of CPAs
Rhode Island Staffing Association
Rhode Island Small Business Economic Summit Regulations Committee
Rhode Island Small Business Economic Summit Tax and Budget Committee

cc. Senate Finance Committee members