



**Testimony in Support
Act Relating To Taxation - Personal Income Tax
May 28, 2026**

The Latino Policy Institute (LPI) submits this testimony in support of S2364, legislation that would increase Rhode Island's Earned Income Tax Credit (EITC) from 16% to 30% of the federal credit beginning in tax year 2027.

The Earned Income Tax Credit remains one of the most effective anti-poverty tools available to working families. Expanding Rhode Island's EITC would provide meaningful financial relief to low- and moderate-income households across the state at a time when many families continue to face rising costs for housing, childcare, groceries, transportation, and healthcare. This proposal would particularly benefit working families with children, many of whom are already struggling to remain economically stable despite maintaining employment.

Latino and immigrant families are disproportionately represented in many of Rhode Island's low-wage workforce sectors, including healthcare support, hospitality, food service, construction, and caregiving. These workers are essential to Rhode Island's economy and communities, yet many continue to experience economic insecurity due to stagnant wages and increasing living costs. Expanding the EITC is a practical, evidence-based policy solution that directly supports workers while helping families meet basic needs and build greater economic stability.

Research consistently demonstrates that EITC expansions improve financial outcomes, reduce poverty, increase workforce participation, and positively impact children's educational and health outcomes. Policies that increase household economic stability also strengthen local economies, as families are more likely to spend these resources within their communities on essential goods and services.

Importantly, Rhode Island has made progress in recent years by gradually increasing the state EITC. S2364 represents the next logical step in strengthening that investment and aligning Rhode Island with states that have taken stronger action to support working families through refundable tax credits.

At a time when many Rhode Islanders continue to face financial strain, this legislation would provide direct relief to the workers and families who form the backbone of our economy. The Latino Policy Institute respectfully urges the committee to support S2364 and continue advancing policies that promote economic mobility, reduce poverty, and strengthen opportunities for working families across Rhode Island. Thank you for your consideration.

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