



## Testimony in **OPPOSITION** to S-2365 to Raise the Exemption for the Taxation of Social Security Income

Senate Committee on Finance

April 30, 2026

Alan Krinsky, Director of Research and Fiscal Policy

The Economic Progress Institute **opposes S-2365 and its proposal, beginning with Tax Year 2026, to raise the exemption cutoffs for the taxation of Social Security income.**

Current law already exempts from state taxation the Social Security income of low-income and modest-income Rhode Islanders, those with federal AGI under a certain amount (\$107,000 for single filers and \$133,750 for joint filers in Tax Year 2025). This proposal would raise the exemption levels to \$140,000 and \$180,000, respectively.

We believe that, for the most part, this current exemption levels, increased annually for inflation, work fine as they are, helping those seniors with the lowest incomes and greatest needs.

We are concerned that at a time when the budget is tight, and with hundreds of millions of dollars in cuts in federal assistance anticipated, **this is not the time to extend this exemption, possibly to some of those in the Top 20 percent of income, who do not have a great need for such an exemption least.**

We would also suggest delaying implementation to Tax Year 2027.

There is one positive change we ought to make to social security taxation: **to allow Social Security beneficiaries below full retirement age to be eligible for the low-income taxation exemption, as this will help lower-income seniors who likely elected to take their benefits early because they had few or no other options for income.**

We urge you not to advance S-2365 to the Senate floor.