



Testimony in OPPOSITION to S-2672 to Enact a Phased Reduction of Personal Income Tax Rates

Senate Committee on Finance

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The Economic Progress Institute **opposes Senate Minority Leader de la Cruz's S-2672 and its proposal to reduce personal income tax rates by 10 percent over 5 years.**

While this proposal appears on the surface to provide across-the-board tax savings for Rhode Islanders, the proportional reductions mask the fact that this would be a massive tax cut primarily benefiting those with the highest incomes.

At the request of the Economic Progress Institute (EPI), the Institute on Taxation and Economic Policy (ITEP) analyzed this proposal and arrived at the following estimates:

Year	Revenue Loss	Benefit to Top 1%	Benefit to Top 5%	Benefit to Top 20%	Benefit to Lowest 20%
2027	\$44 million	28.1%	49.3%	74.2%	0.2%
2028	\$92 million	27.1%	48.1%	73.4%	0.2%
2029	\$136 million	27.4%	48.5%	73.7%	0.2%
2030	\$183 million	27.1%	48.1%	73.5%	0.2%
2031	\$227 million	27.3%	48.3%	73.6%	0.2%

While 100 percent of the Top 1 percent will receive an average tax cut of \$10,099 when this is fully implemented, only 30 percent of the Lowest 20 percent income group will receive any tax cut, and that will be an average of \$13.

This is not broad-based tax relief. It would be a catastrophic revenue loss to benefit those who already have the most resources.

We urge you not to advance S-2672 to the Senate floor.