



April 7, 2026

The Honorable Senator Louis DiPalma, Chair
Senate Finance Committee
Rhode Island State House
Providence RI 02903

**RE: TESTIMONY IN SUPPORT OF SENATE BILL 2823
AN ACT RELATING TO TAXATION – PERSONAL INCOME TAX**

Chair DiPalma and Members of the Senate Finance Committee:

On behalf of United Way Rhode Island, we strongly support Senate Bill 2823, which creates a \$650 tax credit for eligible taxpayers adjusted for inflation beginning January 2027. United Way's policy and advocacy efforts follow our strategic framework: Strong Families, Strong Nonprofits, Strong United Way. We prioritize policies that strengthen household stability, expand access to opportunity, and ensure public investments deliver measurable value.

United Way Rhode Island is the Lead Coordinating Agency for the Volunteer Income Tax Assistance (VITA) Program since 2005, serving as the primary organization that oversees, organizes, and supports VITA operations statewide. Rhode Island taxpayers who have their taxes prepared at a VITA site receive free, confidential services from IRS-certified volunteers. Of the 11,015 RI taxpayers who had their state taxes prepared at VITA sites last year, 2,233 qualified for the federal tax credit and received \$3,440,420 in returns from the federal tax credit alone; averaging \$1,540 per household. Those returns serve Rhode Islanders making just enough to get by, empowering families to catch up on utilities, car repairs, and, increasingly and alarmingly, health care that's been postponed.

A Rhode Island tax credit of \$650 per child will improve returns for Rhode Island families that United Way Rhode Island has identified as Asset-Limited Income-Constrained and Employed (ALICE) in addition to families below the Federal Poverty Line. United For ALICE reports that 39% of Rhode Island households were below the ALICE threshold in 2023 (poverty plus ALICE), including 51,069 households in poverty and 122,439 ALICE households—who are families who work, contribute, and are priced out of financial stability by the high cost of living. When United Way Rhode Island advocates for tax credits, especially the Child Tax Credit, we commit to providing services in collaboration with federal, state, and community partners to deliver the benefits of tax credits to households in need.

United Way Rhode Island respectfully urges your support for Senate Bill 2823 and thanks you for sharing in our commitment to economic empowerment and Strong Families.

Sincerely,



Peggy Afonso, Program Officer, Housing and Economic Policy,
United Way Rhode Island