



**RHODE ISLAND
FEDERATION OF TEACHERS AND
HEALTH PROFESSIONALS AFT AFL-CIO**

To: House Finance Committee
From: James Parisi, Field Representative
Date: May 2, 2024
Re: **Millionaires' Tax**
Testimony in **support** of 2024-H 7338 (Alzate et. al)

The Rhode Island Federation of Teachers and Health Professionals supports Representative Alzate's bill to create a fairer income tax system that raises additional revenue to meet important needs. The bill provides a 3% increase in taxes on income over \$1000,000. For several years, the RIFTHP has been part of a coalition created to support a fairer tax system while raising needed state revenue. We remain thankful that Representative Alzate has taken a leadership role in this.

This bill requires that the additional state revenue is dedicated to K-12 education, public higher education, childcare, road and bridge repair and public transportation (page 1, lines 15-19). This list of worthwhile programs reflects the specified spending for the income tax change Massachusetts voters approved two years ago.

H 7338 makes our unfair tax system fairer. Millionaires pay much less in overall income in taxes than the rest of us. They can certainly afford the proposed modest 3% income tax increase that will still leave them below average in terms of overall taxes (income, sales, and property taxes) paid as a percent of income.

We have reached the end of considerable federal spending that has come into our state. We need a long-term revenue-raising strategy to move our state forward.

While spending decisions remain within the purview of the General Assembly, the RIFTHP supports this tax fairness proposal because it would permit expanded state support for programs such as:

- Meeting state funding commitments to continue the progress of fixing our outdated, unhealthy public schools
- Hiring more counselors, social workers, student assistance counselors, and school psychologists to address student social and emotional well-being
- Increasing funding to the University of Rhode Island, Rhode Island College and CCRI to expand programs and avoid tuition hikes, thus limiting student debt
- Revising the education funding formula to increase the state share of education spending, and to increase spending for multi-language learners

Without a new revenue stream, the initiatives listed above, and other initiatives, are out of our reach. I encourage you to embrace the idea of raising revenue by creating a better tax system and **pass H 7338**.

356 SMITH STREET PROVIDENCE, RHODE ISLAND 02908-3761 (401) 273-9800 FAX (401) 331-8815

• Francis J. Flynn, President • Bonnie Horta, Executive Assistant • Colleen A. Callahan, Director of Professional Issues •
• Michael J. Mullane, Field Representative • James A. Parisi, Field Representative •
• Christopher Lambert, Field Representative • Maria Manzi, Administrative Assistant •