



May 2, 2024

Honorable Marvin Abney
Chairman, House Finance Committee
Rhode Island State House
Providence, RI 02903

RE: H.7489, An Act Relating to Taxation – Business Corporation Tax
H.7928, An Act Relating to Taxation – Business Corporation Tax

Chairman Abney and Committee Members,

The undersigned members of the Rhode Island Business Coalition wish to register our support for both H.7489 and H.7928.

H.7489 seeks to reduce the annual minimum corporate tax from \$400 a year to \$350 a year. This change is estimated to affect 77,000 business entities, saving them approximately \$4.7 million a year. While comparing state minimum corporate taxes can be tricky and complicated, states that declare a minimum corporate tax requirement, tend to range from \$25 to \$500 (average \$105). Lowering the tax rate by \$50 may seem small, but it moves Rhode Island in the right direction as it seeks to grow existing businesses and to attract new business.

H.7928 repeals the minimum corporate tax in its entirety, saving small businesses approximately \$37.6 million a year. Repealing the tax in its entirety assists small businesses that are barely making a profit and allows them to invest more in growing that business.

Both bills also send a message to state-ranking organizations such as the Tax Foundation, that Rhode Island wants to grow its economy. For these reasons, the Coalition supports the passage of H.7489 and H.7928.

Sincerely,

Associated Builders and Contractors, Rhode Island
East Greenwich Chamber of Commerce

Rhode Island Bankers Association
Rhode Island Beverage Association
Rhode Island Business Group on Health
Rhode Island Hospitality Association
Rhode Island Manufacturers Association
Rhode Island Marine Trades Association
Rhode Island Partnership for Home Care
Rhode Island Small Business Economic Summit Regulations Committee
Rhode Island Small Business Economic Summit Tax and Budget Committee
Rhode Island Society of Certified Public Accountants
Rhode Island Staffing Association
Sustainable Benefits Strategies, LLC

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.