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**Testimony of  
Christopher Carlozzi, NFIB State Director  
In Support of House Bill No. 7489  
Relating to Taxation- Business Corporation Tax  
In Support of House Bill No. 7928  
Relating to Taxation- Business Corporation Tax  
May 2, 2024**

**Chairman Abney and Members of the House Committee on Finance:**

**My name is Christopher Carlozzi. I am the Rhode Island State Director for NFIB. A non-profit, non-partisan organization, NFIB is the nation's and our state's largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. NFIB represents the small Main Street business owners from throughout Rhode Island. On behalf of those small and independent business employers, we support lowering the state minimum corporate tax to \$350, or even better, eliminating the tax altogether.**

**Current law requires that corporations pay a minimum business corporation tax of \$400 annually without regard to whether the corporation actually made a profit during the year. These bills will wither lower the current tax by \$50 or eliminate it completely, providing modest relief for small businesses. The current minimum tax of \$400 is unfair to struggling business enterprises, discourages entrepreneurs, and has a disproportionate negative impact on smaller businesses. When comparing to neighboring states, Rhode Island's current minimum tax may be below the \$456 Massachusetts tax, but still higher than the \$250 minimum in Connecticut. Since small entrepreneurial businesses are the predominant creator of new jobs and the driver of economic growth in Rhode Island, it would make sense to encourage expansion and entrepreneurship by lowering this unfair provision in the state tax laws.**

**In recent years, Rhode Island recognized the inequity of taxing small businesses whether or not they make a profit by lowering the minimum tax to the current level. This proposed change to \$350 will constitute another step toward a more equitable tax code.**

**On behalf of the state's small businesses, we urge you to support a reduction or elimination of the minimum corporate tax. Thank you.**