



**CONTACT:**

Alisha A. Pina

[communications@economicprogressri.org](mailto:communications@economicprogressri.org)

**FOR IMMEDIATE RELEASE**

June 1, 2026

**EPI Statement on the Proposed Fiscal Year 2027 Budget  
from the Rhode Island House of Representatives**

PROVIDENCE – The Economic Progress Institute (EPI) applauds Speaker Blazewski, Majority Leader Kazarian, House leadership, legislative champions, coalition partners, and advocates across Rhode Island for advancing a Fiscal Year 2027 budget proposal that **makes meaningful investments in Rhode Islanders while taking an historic step toward a fairer tax system.**

The proposed budget includes one of the most significant tax fairness victories in Rhode Island in decades: a surtax on taxable income above one million dollars. **At a time when working families continue to struggle with the rising cost of housing, child care, healthcare, and other necessities, House leadership has recognized that those who have benefited the most from Rhode Island's economy can afford to contribute a little more to support the state's future and make us a more competitive state.** This proposal represents a major milestone in the long-standing effort to build a tax system that is more equitable, sustainable, and capable of meeting the needs of Rhode Islanders.

Just as importantly, House leadership rejected numerous proposals that would have dramatically reduced state revenues, including:

- the weakening or repeal of the estate tax
- the repeal of the corporate minimum tax
- the cutting of personal income tax rates
- the creation of a 30-year tax credit incentive for the construction of data centers
- an increase in the income threshold for exemption from taxation of social security income

**Taken together, these proposals amounted to close to a half-billion dollars in annual revenue loss and would have likely resulted in severe cuts to many critical programs and services.** We also applaud the inclusion, at a very modest cost, of the Governor's proposal to remove the age

restriction that has prevented low-income Rhode Islanders below full retirement age from using the tax exemption for Social Security income.

This budget also makes important investments in children, families, and healthcare that **helps many more Rhode Islanders meet their basic needs and thrive**. They include:

- Establishing a permanent refundable Child Tax Credit (CTC) of \$330 per child that would phase out at \$88,500 for single-filers and \$110,640 for joint-filers. The CTC will not replace the dependent exemption so Rhode Island families can benefit from both tax credits
- Strengthening Rhode Island Works cash assistance by allowing more child support payments to go to children, an increase from \$50 to \$100 for one child or \$200 for two or more children
- Strengthening the Child Care Assistance Program (CCAP) by increasing eligibility from 261 to 285 percent of the federal poverty level and increases the infant reimbursement rates for center-based child care providers by five percent
- Extending the successful Child Care Assistance for Child Care Educators pilot program by two years
- Bolstering healthcare by implementing the full Medicaid reimbursement rate increase recommended by the Office of the Health Insurance Commissioner
- Helping to stabilize the healthcare system by allocating \$26 million to hospitals for uncompensated care as people lose health insurance due to H.R.1 – \$15 million more than the governor proposed
- Providing \$20 million to help Rhode Islanders purchase health insurance through HealthSourceRI by partially replacing federal Affordable Care Act subsidies that Congress allowed to expire
- Allocating \$1.6 million for the Newport Hospital Birthing Center to support continued operations
- Allocating \$377,000 from general revenue to secure the Maternal Infant & Early Childhood Home Visiting (MIECHV) matching federal funds, for a total of \$10.9 million to sustain and strengthen family home visiting programs and other services
- Sustaining the funding for the Pediatric Psychiatric Resource Network (PediPRN) and Moms Psychiatric Resource Networks (MomsPRN)
- Fully funding Rhode Island Public Transit Authority (RIPTA) by allocating additional funding from the Highway Maintenance Fund and adding \$15 million for bus and bus shelter improvements
- Decoupling Rhode Island state income taxation from the acceleration of R&D depreciation to save the state \$22.6 million next year, as proposed by the Governor, and from two additional H.R.1 provisions that help high-income tax filers without benefiting the state

economy – one of these, the Qualified Small Business Stock exclusion, applies only to C-Corps and mostly benefits millionaires. This will save an additional \$1 million next year and more over the following years

While EPI does celebrate the budget's inclusion of a millionaires surtax as a bold and valuable move, we have **some concern that this proposal does not go far enough (falling short of the top one percent proposal) or quickly enough - phased in instead of the three percent surtax in Fiscal Year 2027 - to prepare the state for the impending loss of federal revenue.** While much work remains, particularly as Rhode Island prepares for the possibility of devastating federal cuts to Medicaid, SNAP, and other essential programs, **this budget demonstrates what is possible when policymakers choose investment over austerity and opportunity over scarcity.**

It is the result of years of advocacy, research, organizing, coalition-building, and leadership by Rhode Islanders and legislative champions who refused to accept that economic hardship and growing inequality were inevitable. We are especially grateful to the many legislative champions who demonstrated the courage and leadership necessary to advance bold solutions in the face of significant opposition.

###

*EPI envisions and fights for a Rhode Island where concrete and consistent investments are made in people. A state where we all have healthcare when we're sick, a safe place to live, childcare that doesn't break the bank, nutritious food to eat, and access to opportunity regardless of race, gender, disability, age, or zip code. To learn more about us, visit [www.economicprogressri.org](http://www.economicprogressri.org).*