



**Testimony in OPPOSITION to Exemption of Cryptocurrency Investment Income
from State Taxation: S-2021**

Senate Committee on Finance

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The Economic Progress Institute **opposes S-2021** which would **exempt from Rhode Island state taxation up to \$5,000 per month or \$20,000 per year in income gained from investing or trading in Bitcoin and other cryptocurrencies.**

We simply see no good reason not to **treat this type of income the same way we treat other investment income**, such as from stock market trading, or from wage and salary income.

In addition to creating an **unjustified preferential tax structure for cryptocurrency**, we see the following additional downsides:

- This tax benefit that will almost certainly be **concentrated among those tax filers who already have high income and/or wealth**, and so need a tax benefit the least.
- There is **no clear benefit to the state and economic development**, such as job or business creation.
- This would result in **an unknown revenue loss** to the state at a time when we are facing federal threats to state funding.

Therefore we urge you *not* to send S-2021 to the Senate floor.