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**RI HOUSE ASKED TO REDUCE
RI CORPORATE TAX RATE**

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Trillo Files Legislation Lowering
Corporate Income Tax Rate To 7%

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**7% RATE WOULD RANK RI #25
AMONG STATES – A TIE WITH NEW YORK**

STATE HOUSE, JAN 30 – State Representative Joseph Trillo (R-Warwick) will file legislation today to drop the RI Business Corporation Tax rate from its current level 9% rate to 7%.

The Business Corporation Tax is better known by its street name: the corporate income tax. The 7% rate would place RI in a tie with New York, whose corporate tax rate ranks #25 among U.S. states.

Trillo's proposal is the third "Getting To 25" initiative designed to bring Rhode Island back into the mainstream on key measures.

His legislation is identical to a reduction proposed by the Governor Lincoln Chafee, except that the Chafee plan is contingent on Congress passing a national sales tax on internet transactions.

"I hold no expectation that reducing the corporate tax rate alone is going to solve Rhode Island's economic problems. But as one of a number of small steps that make this state more attractive to companies who bring the jobs and the spending and the additional tax revenue, this is important," he said.

“I am not alone in believing this is important. One Democratic Senator has filed a similar proposal in the Senate. Neither of these bills waits for Congress to act, or expect revenue from a law still to be enacted. He believes, as I do, that we must start to take bolder action on the economic front, and this is a good place to start.

“Some will ask how we will pay for this, a constant refrain in the General Assembly. And I say we should pay for this by finding smarter ways to spend our money and manage our resources. We need to change the conversation from one of finding new revenue to one of changing the way we spend.

“Rhode Island is looking at deficits next year of \$150 million and larger deficits in subsequent years. The state’s piggy bank is empty, and like most Rhode Islander’s, we are living paycheck to paycheck.

“There are only two ways to fix that, and without significant taxes, which I do not support, our only alternative is to change the way we spend.

“This is a conversation that is long overdue,” Trillo said.

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For more Tax Foundation information on state rankings on corporate taxes, [click here](#).