



Rhode Island General Assembly

Office of the House Minority Caucus

NEWS

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Broken Promises: FY20

Budget keeps 7% sales tax and repeals law to revert to 6.5% sales tax *Republicans submit amendment to honor the legislative promise to taxpayers*

Providence, RI - With Rhode Island's taxpayers and economic outlook in mind, House Republicans will submit an amendment to the FY20 budget to preserve the promised reduction of the Rhode Island sales tax from 7% to 6.5%. The amendment restores all stricken language that specified a reduction of the sales tax upon the expansion of revenues through online taxed items. This occurred when online sales were added to the tax base. Republicans have been calling for the promised sales tax reduction throughout this legislative session.

“Our state leaders have asserted that the 6.5% trigger was not met when we authorized the collection of online sales taxes earlier this year,” said House Minority Leader Blake Filippi. “Why then is there this rush, in the final days of the legislative session, to change the law and strike out the promise made to reduce the sales tax? It’s a safe bet that our leaders know that there is merit to our legal position that the sales tax should already be reduced to 6.5%.”

“It is extremely concerning that there was a blatant change in the law without discussion and normal vetting procedures,” said Minority Whip Michael Chippendale. “This budget insults taxpayers twice by keeping the tax at 7% and also adding more taxable items in the form of online sales. This amendment is an attempt to make things right for our residents.”

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Broken Promises

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The broadening of the line item in the Rhode Island sales tax to include Internet, remote seller and other products and services, had effectively triggered the reduction as intended in the original legislation. The amendment reinstates the language in the original legislation which, if followed, spurs much needed relief for Ocean State taxpayers.

Republicans have argued that a lower sales tax can only help expand retail sales, retail employment, retail brick and mortar storefronts and more spending in the community.

“We should be promoting growth in retail spaces verses boarding these businesses up and watching them move out,” said Representative George Nardone, lead sponsor of the bill calling for the sales tax reduction. “We need to reduce our sales tax to more effectively compete with our neighboring states. This amendment not only restores the promised sales tax reduction, it also restores faith in our legislative process.”

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The Rhode Island House of Representatives Minority Caucus (Republican) is comprised of the following elected members representing constituents who live in the following districts throughout the Ocean State: Minority Leader, Blake Filippi, District 36 (Charlestown, South Kingstown, Westerly, New Shoreham); Minority Whip, Michael Chippendale, District 40 (Foster, Glocester, Coventry); Representative John Lyle, Jr., District 46 (Lincoln, Pawtucket); Representative George Nardone, District 28 (Coventry); Representative Brian Newberry, District 48 (North Smithfield, Burrillville); Representative David Place, District 47 (Burrillville, Glocester); Senior Deputy Minority Leader Justin Price, District 39 (Exeter, Hopkinton, Richmond); Deputy Minority Leader Robert Quattrocchi, District 41 (Scituate, Cranston); Representative Sherry Roberts, District 29 (Coventry, West Greenwich).