



AMERICANS
for TAX REFORM

March 1, 2017

State of Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

Dear Members of the Rhode Island General Assembly:

On behalf of Americans for Tax Reform I urge you to oppose Senate Bill 365, the “Energize Rhode Island: Clean Energy Investment and Carbon Pricing Act” of 2017, introduced by Senators Jeanine Calkin, Ana Quezada, James Seveney, Harold Metts, and Frank Lombardo.

Senate Bill 365 would impose a carbon tax on energy in the state at a rate of \$15 per ton of emissions that will increase by \$5 annually. Such a tax will reduce the state’s economic competitiveness by driving up the cost of energy, impacting jobs and increasing costs for Rhode Island’s most vulnerable.

Rhode Island’s tax climate was recently ranked 44th worst in the U.S. by the bipartisan Tax Foundation’s *2017 State Business Tax Climate Index*, with some of the highest corporate, individual, and property tax rates in the country.

Rhode Island’s gas tax in 2016 was also ranked as the 9th highest in the country at 34 cents per gallon, on top of the federal rate of 18.4 cents. Estimates show Senate Bill 365 would add an additional tax of 15 cents per gallon of gas.

Studies show a carbon tax rate of \$20 per ton in Rhode Island would result in the loss of worker income equivalent between 2,000 and 5,000 jobs, and would increase the cost of using natural gas in the state by 40 percent. Such an increase would drive up the cost of doing business in the Ocean State, and hit low-income households the hardest who spend a larger portion of their monthly income on energy costs.

I urge all members of the Rhode Island General Assembly to oppose Senate Bill 365.

Sincerely,

Grover G. Norquist
President
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