**This Week at the State House**

**Senate Labor Committee to Hear Minimum Wage Bills - URGENT**

On Wednesday, February 3rd at 4:00 pm, the Senate Labor Committee will take testimony on S.1, S.77, S.136 and S.137. All of these bills relate to proposed changes in minimum wage. Members of the public wishing to testify may submit written testimony by email to [SLegislation@rilegislature.gov](mailto:SLegislation@rilegislature.gov) Testimony submitted prior February 3rd at 2:00 pm, will be provided to the members of the committee at the hearing and will be included in the meeting records. Testimony submitted after that time will be placed on file. If you prefer to testify verbally, please send an email to [Slegislation@rilegislature.gov](mailto:Slegislation@rilegislature.gov) and state in the email the bill number, whether you are For/Against the bill, your name and phone number (to be reached for your testimony), and your affiliation: (if any). Requests to testify verbally must be submitted by Tuesday, February 2nd at 4:00 pm. Should you wish to testify in writing or verbally, the best information you can provide to the committee is how the change in the wage will specifically affect your business. *If your business pays premium pay under Rhode Island law, please mention it in your testimony and highlight that Rhode Island is the only state that still requires premium pay to be given to employees who work Sundays and holidays as a normal part of their 40 hour work week.*

Rhode Island’s current minimum wage, $11.50 per hour, went into effect October 1, 2020.

S.1 proposes to increase the minimum wage to $12.25 on October 1, 2021, $13.00 on October 1, 2022, $14.00 on October 1, 2023 and $15.00 on October 1, 2024.

S.77 proposes to increase the minimum wage, starting January 1, 2022, based on the average increase in CPI over the previous four years. The intent of the bill may be to make that adjustment each year as the language states that in no event will the minimum wage decrease if the average CPI decreases.

S.136 creates an 11 member commission to study the minimum wage issue and report recommendations back to the Senate by May 4, 2021.

S.137 establishes a system of tax credits for businesses based on the amount paid to employees. Upon passage, an employer who pays the $11.50 minimum wage would receive a tax credit of $1 for each hour paid to those minimum wage employees. If the minimum wage increases to $13, then the employer paying the $13 minimum wage would qualify for a tax credit of $2 per hour paid to each minimum wage employee. At a minimum wage of $14, the employer could claim a tax credit of $3 per hour.

As background for this discussion, Rhode Island currently has the 14th highest minimum wage in the country. (Although New York, at $12.50 for most of the state, is complicated, as NYC has its own rules for different employers.)

Massachusetts raised its minimum wage to $13.50 as of January 1, 2021 and will statutorily go to $14.25 January 1, 2022 and to $15.00 January 1, 2023. Massachusetts currently has the third highest minimum wage requirement in the country – following the District of Columbia ($15.00) and Washington state ($13.69). Connecticut is currently at $12.00 per hour and is set to go to $13.00 August 1, 2021; $14.00 July 1, 2022; and $15.00 June 1, 2023. Connecticut is tied for 9th highest minimum wage in the country.

President Biden has called for an increase in the federal minimum wage which is $7.25 per hour. His plan suggests an increase to $9.50 upon passage, followed by increases each year thereafter reaching $15 an hour in four years. Eighteen states have a $7.25 per hour minimum wage.

**Public Places Stock Epinephrine Syringes on Site**

On Tuesday at 6:00 pm, the House Health and Human Services Committee will take testimony on H.5080 which requires public places capable of holding 300 or more people to have epinephrine and syringes on site as well as trained employees on site to administer the shot if needed. A “public place” includes, but is not limited to, the following: banks; bars; educational facilities; health care facilities; laundromats; public transportation facilities; reception areas; restaurants; retail food production and marketing establishments; retail service establishments; retail stores; shopping malls; sports arenas; government offices; theaters; and waiting rooms. A private residence is not a "public place" unless it is used as a child care, adult daycare, or health care facility. Written testimony should be submitted to [lcataldi@rilegislature.gov](mailto:lcataldi@rilegislature.gov) . For those who would prefer the option of providing verbal testimony, please send an email to [lcataldi@rilegislature.gov](mailto:lcataldi@rilegislature.gov) with the following information: Bill # you are testifying on. For/Against Your Name and Phone number (to be reached for your testimony) Affiliation: (if any) \*Deadline to request verbal testimony is Tuesday, February 2, 2021 at 11 a.m.

**Greenhouse Gas Emission Reduction Mandates**

The Senate Committee on Environment and Agriculture is meeting Wednesday at 4:00 pm. S.78, An Act Relating to State Affairs and Government – 2021 Act on Climate is on the agenda. [S0078.pdf (state.ri.us)](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0078.pdf) This bill speeds up the reduction of greenhouse gas emission targets currently in law. Under current law, Rhode Island set a goal of 10% reduction over 1990 levels by 2020, a 45% reduction over 1990 levels by 2035, and 80% over 1990 levels by 2050. The Climate Change Coordinating Council (EC4) is charged with developing plans to meet those targets. The state has met the 2020 target. S.78 changes the targets to 45% reduction over 1990 levels by 2030, 80% reduction over 1990 levels by 2040 and net zero emissions by 2050. The more challenging change is in the enforcement of the reduction targets. S.78 allows the EC4 to require agencies to promulgate rules necessary to reach the target. There is no language in statute to provide guidelines for what can or cannot be adopted as part of a rule. DEM, for example, could be forced to require every business to install a geothermal heat pump for heating purposes, or to require all individuals to ride a bus to work instead of driving a vehicle. S.78 also gives any person the right to file a lawsuit to force an agency to take action. These provisions take away the legislative debate on environmental policy issues, and can take away economic factors even in agency rulemaking. If the emission target is not reached, the lawsuit can force government action regardless of the cost.

**Last Week At the State House**

**Revenues Up, But Numbers Are “Soft”**

Last week the Senate Finance Committee received a briefing from the Department of Revenue. The December, 2020 revenues show an increase of $58 million over anticipated revenues: $31 million more in personal income tax, $13.6 million from sales and use tax, $6.1 million from business corporate income tax and $4.2 million from department receipts. However, before the committee got too excited, Paul Dion, Chief, Office of Revenue Analysis, explained the surplus is a “soft surplus” that has not captured future events like the State’s “pause” or a change in federal corporate tax treatment.

The sales and use tax continues to outperform expectations. It appears to be a result of Rhode Islanders shifting purchases from brick and mortar stores to online sales. State law requires certain online providers to charge sales tax to customers in the state. With fewer people traveling to others states to shop, the sales and use tax has bumped up. The state also saw an increase in sales and use tax following the release of federal stimulus checks to the public. While automotive sales were very volatile during 2020, a big surge of sales occurred shortly after the stimulus checks arrived.

The Department of Revenue sounded off a cautionary note over the business corporate income tax. Congress passed the CARES Act providing PPP loans to businesses. Later, Congress made those PPP loans forgivable and allowed business to deduct the expenses against taxable income even if the PPP money was used to pay those expenses. Under normal circumstances, loans forgiven are considered taxable income. In Rhode Island, $1.904 billion in loans were made to 17,875 businesses. $192.9 million went to tax-exempt non-profit entities and $1.711 billion went to for-profit entities. Mr. Dion said, “If all $1.711 billion of the PPP loan are forgiven” and $1.711 billion of that money was used to pay expenses that are normally deductible against taxable income, “the impact on state revenues for FY2021 would be in the 10s of millions of dollars…and could result in loss carryforwards in future years.” The other corporate tax issue to watch is whether businesses made a final quarterly payment in December instead of January – if so, then the jump of $6.1 million could smooth out resulting in a normal collection season for corporate income revenue.

Other tax changes that will affect Rhode Island’s income tax numbers this year include the federal change to allow an “above the line” deduction for charitable contributions up to $300 per individual or $600 for joint filers. Dion expects this impact to be less than $10 million loss in revenues. It is also unclear at this point how the various grants to businesses will be treated. Dion believes they appear to be taxable but the department has not received final word yet. Grants include those made under the Restore RI program, Hart and RI On Pause.

The following new bills have been filed:

House Bill No. [5113](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H5113.pdf) Bennett**,**AN ACT RELATING TO HEALTH AND SAFETY -- MINIATURE ALCOHOLIC BEVERAGE CONTAINER ACT OF 2021 (Creates a refundable fifty cent ($0.50) deposit for miniature alcoholic beverage containers, often referred to as "nips.")

House Bill No. [5120](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H5120.pdf) Bennett**,**AN ACT RELATING TO HEALTH AND SAFETY -- ECONOMIC AND CLIMATE RESILIENCE ACT OF 2020 (Imposes carbon tax on fossil fuel sellers for use in climate resilience/renewable energy/energy efficiency/climate adaption programs effective upon 3 states adoption covered by RGGI.)

House Bill No. [5130](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H5130.pdf) Bennett, Solomon**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES (Gradually increases the minimum wage from eleven dollars and fifty cents ($11.50) per hour to fifteen dollars ($15.00) per hour, over a four (4) year period.)

House Bill No. [5131](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H5131.pdf) Bennett**,**AN ACT RELATING TO FOOD AND DRUGS -- SINGLE-USE PLASTIC STRAWS (Prohibits a food service establishment from providing a consumer with a single-use plastic straw, unless the consumer requests such a straw.)

House Bill No. [5138](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H5138.pdf)  Bennett**,**AN ACT RELATING TO FOOD AND DRUGS -- DISPOSABLE FOOD SERVICE CONTAINERS (Prohibits a covered establishment from preparing, selling, processing or providing food or beverages in or on a disposable food service container that is composed in whole or in part of polystyrene foam.)

House Bill No. [5213](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H5213.pdf) Phillips, Caldwell, Noret, O'Brien, Serpa, Hawkins, Lima**,**AN ACT RELATING TO TAXATION -- STATE TAX OFFICIALS (Changes the rate of interest for underpayments of tax to prime rate plus six percent (6%). Also limits the assessment of interest to four (4) calendar years prior to the date on which notice of the delinquent payment is sent.)

House Bill No. [5218](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H5218.pdf) Morales, Alzate, Ranglin-Vassell, Vella-Wilkinson, Ajello**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES (Requires employers to pay "hazard pay" to employees involved in providing essential services during a declared public health emergency.)

Senate Bill No. [64](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0064.pdf) Seveney, Sosnowski, Coyne, DiPalma, Euer**,**AN ACT RELATING TO MOTOR AND OTHER VEHICLES - AUTOMATED TRAFFIC SPEED ENFORCEMENT SYSTEM (Authorizes the use of automated traffic-speed camera-enforcement systems on all state and local roads within the state, not just in school zones)

Senate Bill No. [77](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0077.pdf) Raptakis, Lombardi, Paolino, Lombardo, Ciccone**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES (Increases the minimum wage commencing January 1, 2022, in accordance with an amount equal to the total percentage increase in the consumer Price Index for all Urban Consumers (CPI-U) for the Northeast Region for the four (4) previous fiscal years.)

Senate Bill No. [78](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0078.pdf) Euer**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT - 2021 ACT ON CLIMATE (Establishes a statewide greenhouse gas emission reduction mandate.)

Senate Bill No. [97](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0097.pdf) Calkin, Anderson, Bell, Acosta, Valverde, Quezada**,**AN ACT RELATING TO TAXATION (Establishes a surtax on the business corporation tax for publicly traded corporations subject to SEC disclosure and reporting requirements, if corporation's ratio of compensation for its CEO to median worker is equal to or greater than 100 to 1.)

Senate Bill No. [99](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0099.pdf) Algiere, de la Cruz, Rogers, Paolino, Morgan**,**AN ACT RELATING TO TAXATION -- BUSINESS CORPORATION TAX (Reduces the minimum corporate tax from four hundred dollars ($400) to two hundred fifty dollars ($250) for the year beginning on January 1, 2021, and would abolish the minimum tax for tax years beginning on or after January 1, 2022.)

Senate Bill No. [101](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0101.pdf) Calkin, Anderson, Mack, Mendes, Bell, Quezada**,**AN ACT RELATING TO HUMAN SERVICES -- HEALTH CARE FOR FAMILIES (Creates the "Medicaid Employer Assessment".)

Senate Bill No. [105](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0105.pdf) Euer, McCaffrey, Sosnowski, Kallman, Valverde, Mack, Quezada, Cano, Coyne**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- ENVIRONMENTAL JUSTICE ACT (Requires the department of environmental management to create environmental justice areas.)

Senate Bill No. [106](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0106.pdf) Calkin, Anderson, Acosta, Mack, Mendes, Bell, Quezada**,**AN ACT RELATING TO HEALTH AND SAFETY -- BEVERAGE CONTAINER DEPOSIT RECYCLING ACT OF 2021 (Creates a refundable four cent ($0.04) deposit for non-reusable beverage containers. A ten cent ($0.10) handling fee would be paid by distributors.)

Senate Resolution No. [136](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0136.pdf)  Raptakis, Lombardi, Paolino, Lombardo, Ciccone**,**SENATE RESOLUTION CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY AND REVIEW RHODE ISLAND'S MINIMUM WAGE (Creates an 11 member commission whose purpose it would be to study Rhode Island’s minimum wage, and who would report back to the Senate no later than May 4, 2021, and whose life would expire on January 4, 2022.)

Senate Bill No. [137](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0137.pdf) Raptakis, Lombardi, Paolino, Lombardo, Ciccone**,**AN ACT RELATING TO TAXATION -- TAX CREDIT FOR WAGE PAYMENTS (Provides tax credit for businesses as minimum wage bench marks are reached or adopted in the future.)

Senate Bill No. [138](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0138.pdf) Calkin, Mack, Anderson, Mendes, Bell, Valverde, Murray, Quezada**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- OVERTIME WAGES (Exempts certain executive, administrative, and professional employees from overtime pay if their weekly wages exceed one thousand thirty-six dollars ($1,036), an increase from the current two hundred dollars ($200).)

Senate Bill No. [139](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0139.pdf) Calkin, Mack, Anderson, Mendes, Bell, Quezada**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- PAYMENT OF WAGES (Defines and recognizes the existence and potential liability of lead entities concerning the payment of wages.)