



www.njbia.org/recovery

February 19, 2021

Dear Governor Murphy,

As leaders of the Garden State's major business associations, we wanted to inform you ahead of your upcoming budget address of the business community's top priorities for the FY22 state budget. As you know, 2020 was a devastating year for the business community. As we round out the FY21 budget year and start the FY22 process, we cannot afford additional tax and regulatory burdens. To that end, our main ask is for a budget that prioritizes stimulating our economy and avoids policies that will place any additional costs or burdens on our businesses.

We want to highlight some sobering statistics that we ask you to keep in mind as you go into your budget announcement. The number of small businesses open in New Jersey compared to pre-pandemic levels in January of 2020 is down 43.8%, and their revenue is down 43.9%. Consistently throughout the pandemic, New Jersey has had among the worst unemployment rates in the nation (7.6% today) and has seen more and more people drop completely out of the labor market. We need a budget that accounts for these difficult circumstances and does not exacerbate them.

History shows us that we have turned to increased taxes and spending in both good economic times and bad. We must break this cycle.

To do that, the FY22 budget must avoid both increasing taxes and non-priority spending. Last year, amid the COVID-19 pandemic and resulting economic crisis, New Jersey businesses and residents saw several tax increases enacted, new spending unrelated to the pandemic and borrowing at rates higher than any state in the nation just to balance the budget. One of the best ways to avoid the need for tax increases is to pursue structural reforms that will improve our fiscal health without cutting support for our state's vulnerable populations that depends on state assistance. The savings that would ensue from proper reforms would allow for necessary investments in our state without needing to rely on raising taxes further.

If revenues continue to be stronger than expected and/or New Jersey receives billions more in federal assistance, another way to improve our state's economic outlook is to focus expenditures in areas that will provide strong return on investment and drive our economic recovery such as:

- Additional small business grants through the NJEDA
- Workforce development funding, such as for county college training
- Investment in our innovation economy, including increasing funding for the Commission on Science, Innovation and Technology
- Infrastructure funding
- Dedicating funding to pay down outstanding debt, such as that accrued by the state's Unemployment Insurance Trust Fund
- Reducing the corporate GILTI tax to address our status as an outlier that discourages corporations from locating and/or expanding in New Jersey

Finally, we urge you to use the existing and growing budget surplus to smooth both the FY22 and FY23 budgets, rather than use the surplus all at once or not at all. After this crisis is over, we would support efforts to replenish that fund for future rainy days, which you responsibly did prior to the COVID-19 pandemic. However, this pandemic is the very crisis that you took the initiative to prepare the state for and, consequently, we should use those funds now when we need them most.

We urge you to consider these policies and overall themes as you work with the Legislature to enact the FY22 budget, a spending plan that will either set the stage for a historic comeback or a slow recovery.

If you have any questions, please contact NJBIA Chief Government Affairs Officer Chrissy Buteas at cbuteas@njbias.org or NJBIA Vice President of Government Affairs Christopher Emigholz at cemigholz@njbias.org.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.
American Camp Association NY/NJ
American Institute of Architects/ NJ Chapter.
American Council of Engineering Companies of New Jersey
American Physical Therapy Association of New Jersey
Big I New Jersey
BioNJ
Burlington County Regional Chamber of Commerce
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Chamber of Commerce of Greater Philadelphia
Chamber of Commerce Southern New Jersey
Commerce and Industry Association of New Jersey
CrossState Credit Union Association
Downtown New Jersey
Early Childhood Education Advocates
Eastern Monmouth Area Chamber of Commerce
Employers Association of NJ
Fuel Merchants Associates of NJ
Garden State Pharmacy Owners, Inc
Greater Atlantic City Chamber
Greater Lehigh Valley Chamber of Commerce
Greater Toms River Chamber of Commerce
Greater Westfield Area Chamber of Commerce
HealthCare Institute of New Jersey
Hoboken Chamber of Commerce
Home Care & Hospice Association of New Jersey
Home Health Services Association of New Jersey
Hudson County Chamber of Commerce

Hunterdon County Chamber of Commerce
Independent Insurance Agents & Brokers of NJ
Insurance Council of New Jersey
Jersey Shore Partnership
Mahwah Regional Chamber of Commerce
Marine Trades Association of New Jersey
Middlesex County Regional Chamber of Commerce
Meadowlands Chamber
Monmouth Ocean Development Council
Morris County Chamber of Commerce
NAIOP-NJ
National Federation of Independent Business (NFIB)
Newark Alliance
Newark Regional Business Partnership
New Jersey Asphalt Pavement Association
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Bankers Association
New Jersey Builders Association
New Jersey Business & Industry Association
New Jersey Camps Government Affairs Project
New Jersey Campground Owners and Outdoor Lodging Association
New Jersey Chemistry Council
New Jersey Civil Justice Institute
New Jersey Coalition of Automotive Retailers
New Jersey Concrete and Aggregate Association
New Jersey Council of County Colleges
New Jersey Dental Association
New Jersey Food Council
New Jersey Gasoline-Convenience-Automotive Association
New Jersey Hotel and Lodging Industry Association
New Jersey Independent Electrical Contractors Association
New Jersey Liquor Store Alliance
New Jersey Manufacturing Extension Program, Inc.
New Jersey Motor Truck Association
New Jersey Pharmacists Association
New Jersey Podiatric Medical Society
New Jersey Restaurant & Hospitality Association
New Jersey Retail Merchants Association
New Jersey Salon and Spa Coalition
New Jersey Self Insurers Association
New Jersey Society of Certified Public Accountants
New Jersey State Funeral Directors Association
New Jersey State Veterans Chamber of Commerce
New Jersey Tourism Industry Association
New Jersey Utilities Association

New Jersey Warehousemen & Movers Association
New York Shipping Association, Inc.
NJ Society of Optometric Physicians (NJSOP)
North Jersey Jewish Business Alliance
Ocean City Chamber of Commerce
Phillipsburg Chamber of Commerce
Princeton Mercer Regional Chamber of Commerce
Professional Insurance Agents of New Jersey (PIANJ)
Recreational Fishing Alliance
Salem County Chamber of Commerce
Somerset County Business Partnership
Southern NJ Development Council
Southern Ocean County Chamber of Commerce
Statewide Hispanic Chamber of Commerce of NJ
Sussex County Chamber of Commerce
TechUnited:NJ
The Greater NJ Motorcoach Association
The United Boatmen of N.J.
Union Township Chamber of Commerce
Utility & Transportation Contractors Association
Washington Borough BiD