



December 2, 2020

10 W Lafayette Street
Trenton, NJ 08608-2002

609-393-7707
www.njbia.org

The Honorable Phil Murphy
Office of the Governor
PO Box 001
Trenton, NJ 08625

Dear Governor Murphy:

Michele N. Siekerka, Esq.
President and CEO

Christine Buteas
Chief Government
Affairs Officer

Raymond Cantor
Vice President

Christopher Emigholz
Vice President

Nicole Sandelier
Director of Economic
Policy Research

On behalf of New Jersey's business community, I write regarding the remaining CARES Act funding for pandemic expenses that must be incurred before Dec. 30, 2020. The money spent so far has provided direct relief to New Jersey businesses and families through a variety of programs, and for that we are thankful. While we understand the need to balance the distribution of CARES funding, we urge you to dedicate unused federal monies in the most effective way possible by allocating it to the state's Unemployment Insurance Trust Fund as other states have already done.

As a result of the economic downturn, nearly 1.8 million New Jersey residents have filed for Unemployment Insurance (UI) benefits since March. New Jersey employers face approximately **\$1 billion in new payroll taxes**, either all at once in July 2021 or phased in over the next several years should you sign A-4853/S-3011 currently on your desk, which NJBIA strongly supports.

Given the low balance in the UI Fund, some sort of tax increase is inevitable, but the magnitude of a \$1 billion tax on jobs for our state's employers while they are still suffering will undermine any economic recovery that occurred in 2020 and any we hope to see in 2021. Allocating the CARES monies to the UI Trust Fund would be a win-win: a simple means to avert economic strain that could reverberate from the employers who face increased UI taxes down to the employees who could be laid off, or the prospective employees not hired.

As this catastrophic year comes to a close, please do not let federal CARES Act funds go to waste. I urge you to allocate the CARES funding in the most effective manner possible to shore up the UI Trust Fund so that New Jersey's economy is positioned for a quicker recovery in the new year and beyond.

Sincerely,

Michele N, Siekerka, Esq.
President & CEO

Cc: Senate President Stephen Sweeney
Assembly Speaker Craig Coughlin
Senate Republican Leader Tom Kean, Jr.
Assembly Republican Leader Jon Bramnick