



www.njbia.org/recovery

August 24, 2021

Senator Robert Menendez
528 Hart Senate Office Building
Washington, DC 20510

Congressman Frank Pallone
2107 Rayburn House Office Building
Washington, DC 20515

Senator Cory Booker
717 Hart Senate Office Building
Washington, DC 20510

Congressman Tom Malinowski
426 Cannon House Office Building
Washington, DC 20515

Congressman Donald Norcross
2437 Rayburn House Office Building
Washington, DC 20515

Congressman Albio Sires
2268 Rayburn House Office Building
Washington, DC 20515

Congressman Jeff Van Drew
331 Cannon House Office Building
Washington, DC 20515

Congressman Bill Pascrell
2409 Rayburn House Office Building
Washington, DC 20515

Congressman Andy Kim
1516 Longworth House Office Building
Washington, DC 20515

Congressman Donald Payne
103 Cannon House Office Building
Washington, DC 20515

Congressman Christopher Smith
2373 Rayburn House Office Building
Washington, DC 20515

Congresswoman Mikie Sherrill
1208 Longworth House Office Building
Washington, DC 20515

Congressman Josh Gottheimer
213 Cannon House Office Building
Washington, DC 20515

Congresswoman Bonnie Watson Coleman
2442 Rayburn Office Building,
Washington, DC 20515

Dear New Jersey Congressional Delegation Members,

As leaders of the Garden State's major business associations, the New Jersey Business Coalition requests your opposition to the massive corporate tax increase currently being discussed in Congress. New Jersey already has the highest state corporate tax in the nation, and the contemplated federal increase would be additionally destructive to New Jersey's economy, subjecting our corporations to among the highest tax rates in the world.

The United States is unique with its significant corporate tax layering when the state and federal rates are combined. Most nations do not have that additional state rate. There are tax deductions that come into play, but this layering is still significant.

Portugal has the highest corporate tax rate among OECD nations in Europe at 31.5%, and Japan, the highest OECD rate in Asia, has a corporate rate just under 31%. New Jersey's combined rate, with the discussed federal increase to 25%, would be 33.6%. The worldwide average corporate tax rate is estimated at about 24%, so New Jersey could surpass that by about 40%.

The New Jersey business community is also opposed to the proposed increase in the taxation of Global Intangible Low-Tax Income (GILTI). A GILTI increase will push multi-national businesses to leave New Jersey and seek out states with lower GILTI rates, because we are already a GILTI outlier in how harshly we treat it at the state level.

A higher and less competitive federal corporate tax rate would further shine a light on New Jersey's highest-in-the-nation state rate along with our other substantial affordability issues. These include having the highest property taxes in the nation, some of the highest personal income tax rates and the general high cost of living and doing business. This is significant because there is evidence that the current 21% corporate tax rate has improved competitiveness, Even U.S. Treasury Secretary Janet Yellen stated that the current rate has "improved the competitiveness of U.S. businesses."

This corporate tax increase would also be detrimental to the investments needed for continued growth in our nation and New Jersey. Spending on innovation and infrastructure would be curtailed, and needed advancements in broadband, R&D and manufacturing capital would be stymied.

As our businesses in the state and the nation are trying to recover revenues and jobs lost due to the pandemic, now is the worst possible time to increase this rate and harm our competitiveness. Many small businesses were devastated by COVID-19, as corporations are not just large employers. Businesses of all sizes, including our state's manufacturers, will be impacted by this increase. A corporate tax increase would cost us jobs and economic output – something we cannot afford to do after the significant business struggles over the past year and a half.

New Jersey businesses are at a critical juncture as we attempt to survive and recover from the impacts of COVID-19, and we ask you to help move our economy in the right direction – the opposite of this disastrous tax increase proposal.

Thank you for considering this important request from your state's business community, and if you have any questions, please contact NJBIA Chief Government Affairs Officer Chrissy Buteas at cbuteas@njbia.org.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.
American Camp Association NY/NJ
American Institute of Architects
New Jersey Camps Government Affairs Project
American Council of Engineering Companies of New Jersey

American Physical Therapy Association of New Jersey
Bernards Township Regional Chamber of Commerce
Big I New Jersey
Burlington County Regional Chamber of Commerce
Bus Association of New Jersey (BANJ)
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Chamber of Commerce of Greater Philadelphia
Chamber of Commerce Southern New Jersey
Chemistry Council of New Jersey
Commerce and Industry Association of New Jersey
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
Gloucester County Chamber of Commerce
Greater Atlantic City Chamber of Commerce
Greater NJ Motorcoach Association
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
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 Regional Business Partnership
New Jersey Asphalt Pavement Association

New Jersey Association of Mental Health & Addiction Agencies, Inc. (NJAMHAA)
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Bankers Association
New Jersey Builders Association
New Jersey Business & Industry Association
New Jersey Campground Owners and Outdoor Lodging Association
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 Fitness Alliance
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 Society of Certified Public Accountants
NJ Small Business Coalition
New Jersey State Chamber of Commerce
New Jersey State Funeral Directors Association
New Jersey State Veterans Chamber of Commerce
New Jersey Tourism Industry Association
New Jersey Utilities Association
New Jersey YMCA State Alliance
New Jersey Warehousemen & Movers Association
Newark Regional Business Partnership
North Jersey Jewish Business Alliance
New York Shipping Association, Inc.
Ocean City Chamber of Commerce
Prager Metis
Princeton Mercer Regional Chamber of Commerce
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
The American Planning Association - NJ Chapter
The United Boatmen of N.J.
Union Township Chamber of Commerce
Washington Borough BID

cc: Governor Phil Murphy
Members of the New Jersey Legislature