



[www.njbia.org/recovery](http://www.njbia.org/recovery)

August 24, 2021

Dear Governor Murphy and Members of the New Jersey Legislature,

As leaders of the Garden State's major business associations, the New Jersey Business Coalition requests that our state apply the federal money currently available to replenish our Unemployment Insurance (UI) Trust Fund to reduce a pending tax increase on jobs for employers just as those same employers are trying to recover the jobs lost due to the pandemic.

We thank you again for the law signed this past winter which spreads the UI tax obligation over three years and holding employers harmless for any COVID dismissals. We also appreciate the state relief grants delivered to the business community.

But we also know more needs to be done. Employers are still struggling and the relief funds have not addressed the significant business revenue and job losses resulting from the pandemic. At the same time, there are significant federal dollars available for this purpose that were not available when we softened the increase months ago.

Depositing some of the state's portion of the American Rescue Plan Act (ARPA) funds or remaining CARES Act funds into the UI fund can help businesses invest in their company and workforce with COVID safeguards, increased wages to respond to the hiring crisis, rehiring after COVID layoffs, and recovering revenue lost during the pandemic. Otherwise, employers will have to divert substantial resources to cover the approximately billion-dollar UI tax increase spread over three years despite the fact that the mass layoffs were not of their doing and only necessary due to the unprecedented pandemic and state-mandated COVID-19 restrictions on businesses.

We understand that the statutorily required notice for the first phase of the UI tax increases was just published., But we also note that the law determining those tax increases in FY23 and FY24 includes an exception if the fund is in better health than the UI column dictated by the new law.

Therefore, we implore you to deposit enough money in the fund by March of 2022 when the health of the fund is next assessed to reduce and/or even eliminate the potential tax increases in year two and three of the three-year phase-in. We also understand that the three-year phase-in and the March assessment are statutory constructions that can be changed by the Legislature and Governor and should not be an excuse for inaction. We request you take action now to soften the tax increase due by this October 30 for these employers who are still grappling with the lingering impacts of COVID-19 and cannot afford a tax increase on each person they employ.

Additionally, this is an expected use for some of this federal money as it should be spent on one-year non-recurring items that will put our economy, both businesses and workers, in better positions for future growth. This is evidenced by the fact that a majority of other states have done so. Please do not leave

New Jersey as an outlier. Let's prioritize the health of the UI fund and avoid an unnecessary tax as most other states have.

New Jersey businesses are at a critical juncture as we attempt to survive and recover from the impacts of COVID-19. We ask you to help move us in the right direction for our state's economy with money that the federal government intended for this very same purpose.

Thank you for considering this important request from the state business community, and if you have any questions, please contact NJBIA Chief Government Affairs Officer Chrissy Buteas at [cbuteas@njbja.org](mailto:cbuteas@njbja.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  
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 Association of Professional Employer Organizations (NAPOE)  
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  
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  
The American Planning Association - NJ Chapter  
The United Boatmen of N.J.  
Union Township Chamber of Commerce  
Washington Borough BID

cc: Members of the New Jersey Legislature