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To: Chairman Paul Sarlo and Members of the Senate Budget & Appropriations Committee

From: Christopher Emigholz, Vice President Government Affairs

Date: February 28, 2022

RE: **NJBIA Testimony in Support of Affordability Bills in Senate Budget & Appropriations Committee: S-330, S-676, S-737, S-951**

Good afternoon! My name is Christopher Emigholz, and I am the Vice President of Government Affairs for the New Jersey Business & Industry Association (NJBIA) covering economic development, tax and budget issues.

On behalf of our member companies that provide approximately 1 million jobs in our State and make NJBIA the largest statewide business association in the nation, thank you for the opportunity to speak with you today in support of the 4 affordability bills posted in your committee today: S-330 (Singleton, Scutari), S-676 (Bucco, Oroho), S-737 (Lagana, Gopal) and S-951 (Turner). Consistently New Jersey ranks as one of the least affordable states in the nation with the worst business tax climate. Having the highest property taxes in the nation, among the highest income taxes and high retirement costs all contribute to New Jersey being unaffordable for many and less affordable than many of our competitor states. These four bills will help address those high taxes that make us less affordable and will level the playing field for our businesses that are competing with businesses in more affordable states.

- **S-330 (Singleton, Scutari):** Property taxes are a business issue, too. New Jersey’s property taxes are the highest in the nation and represent the largest state and local tax that businesses pay (*\$14.9 billion paid by business out of total state and local taxes paid by business of \$31.7 billion*). NJBIA supports this legislation as it will provide property tax relief to all taxpayers with its requirement that \$330 million in restored energy tax receipts funding reduce the property tax levy. That amounts to about a 1% reduction in the total statewide levy of more than \$31 billion.
- **S-676 (Bucco, Oroho):** NJBIA supports this legislation as better aligning the state income tax brackets to natural wage increases is important to avoid unintended tax increases and to advance tax fairness and equity. This is especially true when inflation runs rampant, as we are currently experiencing. Over time, this bill will provide relief to many taxpayers making New Jersey more affordable for families, retirees, young people early in their career and small businesses. Interestingly, this concept of preventing “bracket creep” has widespread support from both fiscally conservative (*support tax cuts*) and fiscally progressive (*support relief focused on lower-income taxpayers*) advocates. Almost half of the states have some form of indexing for their state income taxes, and the federal government indexes their income tax brackets.

- **S-737 (Lagana, Gopal) & S-951 (Turner):** NJBIA supports this legislation as it will provide tax relief in retirement planning and make it more affordable to retire in New Jersey. Outmigration of wealth has continued to hurt New Jersey's economic growth and making it easier to retain wealth through retirement can help reverse some of that loss.

Thank you for advancing these affordability bills today, and we look forward to continuing to work with you all to make New Jersey a more affordable place to do business.