



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

June 17, 2022

Dear Senate President Scutari and Chairman Sarlo,

As leaders of our state's major business associations covering sectors and regions throughout the Garden State, the New Jersey Business Coalition (NJBC) urges you to pass as soon as possible this month **A-3683/A-2152 (Freiman, Greenwald, Chaparro, Tully)/S-2378 (Gopal, Zwicker)/S-733 (Madden, Singleton) – the merged unemployment insurance tax relief bill that recently passed through the Assembly with unanimous support.** Part of the Senate version is in the Senate Budget & Appropriations Committee after having passed the Senate Labor Committee earlier this year. Getting the merged bills to Governor Murphy's desk quickly will help our small businesses recover from their compounding struggles stemming from the pandemic, a workforce crisis and inflation.

First, our Business Coalition thanks you for enacting A-4853 (Greenwald, Mazzeo, Verrelli)/S-3011 (Madden, Sweeney) into law last session to soften the billion-dollar unemployment insurance (UI) payroll tax increase by phasing it in over three years instead of all at once. But the payroll tax is still in the process of significantly increasing because of a pandemic and government-mandated shutdown that was thrust onto employers through no fault of their own to protect public health. The business community, especially our smaller businesses, still needs more relief from these taxes and other pandemic-related challenges.

This merged bill will provide that relief, aligning nicely with the Legislature's recent bipartisan and bicameral affordability agenda. **UI payroll taxes are a tax on jobs that almost every employer pays.** If you employ someone, you pay it and you pay any increases regardless of whether you lost income. It is NOT a tax on income or property or corporate profit or wealth, but a tax on the mere existence of a job. At a time when we want to recover the jobs lost due to the pandemic, and many businesses lost significant income during the pandemic, the state should not be in the business of making job creation and job retention less affordable.

Providing a tax credit to small businesses for any UI tax above the current column C will offset the tax increases to columns D in FY23 and to E in FY24. These two increases are more onerous than the tax increase to column C that employers already experienced this year, so the tax credit is a good compromise, wiping away more than two-thirds of the tax increase for most employers. The tax credit will also allow the UI fund to become more solvent while focusing on making sure small businesses are less impacted by the tax increase.

The Coalition also appreciates the bill's outside-the-box idea to pay off the federal loan with a new revolving fund supported by a general fund appropriation instead of federal aid, especially given the great state budget surplus news. Paying off that loan will stop wasting millions of New Jersey taxpayer dollars on unnecessary interest as well as avoid a federal UI tax increase (on top of the state payroll tax increases) for businesses in states that have federal UI loans that last too long.

The NJBC also supports added transparency in the legislation. Last summer, employers were retroactively notified that their UI tax rate had gone up weeks after they were supposed to be collecting for the higher tax. Ensuring that the New Jersey Department of Labor & Workforce Development gives employers better notice is necessary for business planning purposes.

An earlier version of Majority Leader Greenwald's A-2152 and Senate Labor Chairman Madden's S-733 included a pause at column D, eliminating the last increase to column E. This would have helped every business, and we respectfully request that you explore that in the future if the UI fund can afford it. The most stable employers actually see their UI payroll tax rate double with that most onerous column D to E shift, so avoiding that would be preferred and it does not cost the state anything. And if the merged legislation's tax credit goes into law, this column D pause would save the state money because the tax credits would be smaller without a shift to column E.

**Passing this bill is one of the most important business affordability initiatives New Jersey can do in conjunction with passing the state budget this month.** As New Jersey small businesses are still recovering from the pandemic, moving this legislation quickly through your committee and chamber is needed. Thank you for considering our request, and if you have any questions, please contact NJBIA Chief Government Affairs Officer Chrissy Buteas at [cbuteas@njbja.org](mailto:cbuteas@njbja.org).

Sincerely,

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  
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  
Chemistry Council of 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  
Gloucester County Chamber of Commerce  
Greater Atlantic City Chamber of Commerce  
Greater Lehigh Valley Chamber of Commerce

Greater NJ Motorcoach Association  
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 Alliance  
Newark Regional Business Partnership  
New Jersey Apartment Association  
New Jersey Asphalt Pavement Association  
New Jersey Association of Mental Health & Addiction Agencies  
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 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 Self Insurers Association  
New Jersey Society of Certified Public Accountants  
New Jersey Staffing Alliance  
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 Warehousemen & Movers Association  
New Jersey YMCA State Alliance  
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  
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  
Union Township Chamber of Commerce  
Washington Borough BID

