

2024 Regional Business Climate

New Jersey Remains Worst in the Region

NJBIA tracked six individual business costs and metrics – minimum wage rate, top income tax rate, top corporate tax rate, sales tax rate, property taxes as a percentage of personal income, and the maximum unemployment insurance tax contribution per employee – and compared New Jersey’s rates with those of Connecticut, Delaware, Maryland, Massachusetts, New York and Pennsylvania.

2024 Regional Rates

■ HIGHEST ■ LOWEST

| State | Minimum Wage Rate | Top Income Tax Rate | Top Corporate Tax Rate | State Sales Tax Plus Avg. Local Rate [‡] | Property Tax Paid as a % of Personal Income | Maximum UI Contribution Per Employee [§] |
|-------------------|-------------------|---------------------|------------------------|---|---|---|
| Connecticut | \$15.69 | 6.99% | 8.25% [*] | 6.35% | 4.07% | \$990.0 |
| Delaware | \$13.25 | 6.60% | 8.70% | 0.00% | 1.75% | \$588.0 |
| Maryland | \$15.00 | 5.75% | 8.25% | 6.00% | 2.68% | \$892.5 |
| Massachusetts | \$15.00 | 9.00% | 8.00% | 6.25% | 3.45% | \$2,935.5 |
| New Jersey | \$15.13 | 10.75% | 9.00% [†] | 6.61% | 4.76% | \$2,630.4 |
| New York | \$15.00 | 10.90% | 7.25% | 8.53% | 4.48% | \$1,217.7 |
| Pennsylvania | \$7.25 | 3.07% | 8.49% | 6.34% | 2.69% | \$1,037.0 |

Footnotes:

- * Includes a 10% surtax that effectively raises the state’s 7.5% rate to a maximum rate of 8.25%.
- † The Governor’s proposed FY25 budget includes a potentially retroactive Corporate Transit Fee which would effectively raise New Jersey’s maximum rate to 11.5%.*
- ‡ Combined rate, as measured by the Tax Foundation, accounts for states where local sales taxes are applied in addition to state rates.
- § Calculated by multiplying the state’s taxable wage base and maximum tax rate.

Sources:

- United States Department of Labor, State Minimum Wage Laws Database
- Tax Foundation (2023). 2024 State Business Tax Climate Index
- State Government Websites

For more information, contact
 Kyle Sulender, Director of Economic Policy Research
 @ KSulender@njbia.org