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New Jersey's Budget Hurts Taxpayers

Governor Corzine Raises Property and Utility Taxes

Washington, D.C. – New Jersey Governor Jon Corzine signed the state's 2009 budget on Monday, just hours before the state's constitutional deadline. The \$32.9 billion budget was passed by the legislature in late June predominantly along party lines. Despite statements by Gov. Corzine's office that the budget provides tax relief to homeowners, New Jersey residents can expect to see both their property and utility taxes rise next year.

The budget includes significant cuts in the Homestead Property Tax Rebate, which provides tax relief to property owners, and the Municipal Property Tax Relief Aid program that allows municipalities to lower taxes on their residents. This comes as New Jersey residents already have the highest property taxes in the nation, averaging \$2,201 per person each year.

“Governor Corzine’s claims that the budget will provide property tax relief to New Jerseyans could not be further from the truth,” said Grover Norquist, president of Americans for Tax Reform. **“The Governor has done nothing but ensure that New Jersey residents will pay more in property taxes next year than they do today. If he was serious about providing relief to New Jersey families, he would cap increases in their property taxes as other states have done.”**

New Jersey residents will also see their utility bills rise with the continuation of the Transitional Energy Facility Assessment (TEFA) tax. The \$256 million TEFA tax was enacted in 1997 on a temporary basis. However, it was extended for the fourth time when the Legislature approved the state's budget in late June and included in the budget's anticipated revenue.

“The continuation of the TEFA utility tax is a classic example of New Jersey’s overspending problem,” Norquist added. **“A tax that has existed for over 10 years is no longer a temporary tax, it’s a permanent tax. Legislators become reliant on temporary taxes and taxpayers end up paying for it. This sneaky attempt by Governor Corzine and the State Legislature to claim that their budget provides tax relief and not tax increases should be made known to New Jersey taxpayers.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at jkartch@atr.org.

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