

Governor Chris Christie Announces Bipartisan Agreement On Broad-Based Tax Cuts And TTF Funding

Friday, September 30, 2016



Trenton, NJ – Governor Chris Christie, alongside Senate President Stephen Sweeney and Assembly Speaker Vincent Prieto, announced a bipartisan agreement for broad-based tax cuts and funding for the Transportation Trust Fund (TTF).

Under this plan to cut taxes for every New Jerseyan and fully fix the state's transportation infrastructure, the average New Jersey family will see annual NET savings of several hundred or thousands of dollars in taxes and repairs.

"I am pleased to present a plan that represents tax fairness for the residents of New Jersey," said Governor Christie. "This is the first broad-based tax cut for all New Jerseyans since 1994, which is much-needed. At the same time we are going to have constitutionally-dedicated revenue to improve roads, bridges and the mass transit systems in the state."

The plan includes tax cuts designed to make New Jersey more competitive. The broad-based tax cuts include:

Sales Tax Cut: On January 1, 2017, the sales tax will go from 7% to 6.875%. The following year on January 1, 2018, the sales tax will go from 6.875% to 6.625%. A .375% decrease in the sales tax is the first statewide tax cut that has been given in New Jersey since 1994.

Tax Savings for the Working Poor: Increase the Earned Income Tax Credit for the working poor to 35 percent of the federal benefit amount beginning in Tax Year 2016.

Tax Savings for Retirees: Increase the New Jersey gross income tax exclusion on pension and retirement income over four years to \$100,000 for joint filers, \$75,000 for individuals and \$50,000 for married/filing separately.

Eliminate the Estate Tax: Phase out the estate tax over the next 15 months, replacing the current \$675,000 threshold with a \$2 million exclusion after January 1, 2017 and eliminating the estate tax altogether as of January 1, 2018.

Tax Savings for Veterans: Provide a personal exemption on state income taxes for all New Jersey veterans honorably discharged from active service in the military or the National Guard.

The people of New Jersey will pay hundreds less in taxes each year while also dedicating money to roads and mass transit. These tax cuts are estimated to save taxpayers \$164 million in 2017 and when fully phased-in by 2021 an estimated \$1.4 billion.

On the transportation investment side, which will remain flat, a 23-cent gas tax increase costs the average New Jerseyan between \$184 and \$276 per year, depending on methodology.

With a \$2 billion TTF plan in full gear over the next 8 years with 100 percent of gas tax revenues constitutionally dedicated to repair and replace New Jersey roads and bridges, the average New Jersey driver will see a potential reduction of an estimated \$600. The state Department of Transportation (DOT) and U.S. DOT have estimated that the average NJ driver Spends approximately \$600 per year on vehicle repairs caused by bad road conditions.

New Jersey Families will see broad-based tax cuts that exceed the dedicated gas tax increases.

Press Contact:

Brian Murray
609-777-2600

