




What's Good For Business.

**Headquarters:** 61 South Paramus Road • Mack-Cali Centre IV • Paramus, New Jersey 07652  
Tel: 201-368-2100 • Fax: 201-368-3438 • www.cianj.org

**Trenton Office:** 222 West State Street • Suite 212 • Trenton, NJ 08608 • Tel: 609-695-5900

### Memorandum

TO: Senate Budget & Appropriations Committee

FROM:  Anthony Russo, President  
Commerce and Industry Association of New Jersey (CIANJ)

DATE: April 3, 2018

SUBJECT: New Jersey Budget for Fiscal Year 2019

---

Good afternoon Chairman Sarlo and members of the committee. My name is Anthony Russo. I am President of the Commerce and Industry Association of New Jersey (CIANJ). The CIANJ is a statewide business advocacy group, with offices in Paramus and Trenton, representing more than 900 members from virtually every business sector (manufacturing, hospitality, financial, insurance, academia, healthcare, etc.).

CIANJ was pleased to hear in the Governor's first budget address, his plan to invest in our State's long-term economic health with important initiatives like improving our transportation infrastructure, including NJ Transit, as well as alleviating the tax burden on our citizens by increasing the property tax deduction to \$15,000. We also support the appointment of a czar to oversee municipal consolidation and shared services. We strongly believe that every budget should contain actions seeking to reduce costs and reduce spending, if and where possible.

However, the proposed budget puts an incredible amount of pressure on the business community with an increase in spending and proposed new taxes. New Jersey's priority must continue to be the rebuilding of our economy through the creation of private sector jobs. Private sector jobs fuel our economy, improve our quality of life and are responsible for a large percentage of state revenues. Recent proposals from both the Legislative and Executive branches have indicated a desire to increase the Corporate Tax Rate from 9% to 12% and change the manner in which the tax is calculated for certain corporations (i.e., combined reporting). This increase would propel New Jersey into a tie for the highest Business Tax Rate with Iowa. It further distances us from New York State's 7.1% and Pennsylvania's 9.99%. This increase would cripple our state's businesses and deter others from potentially relocating to New Jersey. CIANJ is also concerned that changes to the combined reporting provision will further dissuade the state's ability to retain and attract businesses.

We also have serious concerns about the impact of a proposed \$15 minimum wage. While we understand this initiative was at the center of Governor Murphy's platform, the only result of such a dramatic increase will be the elimination of minimum wage jobs across the state. The people a policy like this is intended to help will almost certainly eliminate those very positions.

Furthermore, policies passed by the Legislature in previous years, including the reduction in the sales tax have been a small but welcomed step for our State's economic health but year over year policy changes bring great uncertainty to the business community which harms the economic engine of New Jersey.

Instead of raising taxes on the businesses that remain in New Jersey we should put an emphasis on growing our tax base by reducing the cost of doing business in New Jersey. This can be accomplished by streamlining and eliminating unnecessary regulations, eliminating regressive taxes and reducing the cost of government through further consolidation of services. If the state continually goes to the business community for more and more sources of revenue, soon there will not be enough businesses to pay for our current budget levels.

Thank you for the opportunity to present this testimony. I can be reached at (201) 368-2100 or [arusso@cianj.org](mailto:arusso@cianj.org)