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CONTACT: John Kartch
Kelly Cobb
202-785-0266

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Gov. Corzine Calls for Billion-Dollar Tax Increase

New Jersey Governor Punishes Taxpayers for Own Fiscal Incompetence

Washington, D.C. – Americans for Tax Reform today condemned New Jersey Gov. Jon Corzine’s plans to impose \$1 billion in tax hikes on New Jersey residents. To rectify \$7 billion in overspending, Gov. Corzine’s newly released budget increases the New Jersey income tax to the 3rd highest nationally, eliminates most property tax deductions, and extends a 4% tax surcharge on businesses. The budget also includes a 25% tax increase on alcohol beverages and raises the tax on cigarettes by 12.5-cents to \$2.70 per pack.

New Jersey has overwhelmingly led all states in tax increases. The Garden State government has increased taxes on each resident by \$2,601 since 2002, for a total of over \$22 billion in tax hikes – the highest nationally. According to the Center for Fiscal Accountability, New Jersey taxpayers spend 211 days a year working just to cover the cost of government – the second highest burden nationally. New Jersey also has the highest state and local tax burden, the second highest business tax burden, and collects more property taxes per capita than any other state. After factoring in inflation, government expenditures have increased 47.5% since 1998.

“New Jersey taxpayers are groaning under the oppressive weight of not just big – but colossal government,” said Grover Norquist, President of Americans for Tax Reform. “There is one thing *all* economists can agree upon: the last thing you want to do in a recession is raise taxes. Yet Gov. Corzine wants to do just that. After a spending binge that would put a drunken sailor to shame, he wants New Jersey taxpayers to suffer the fiscal hangover *and* foot the bill! In fact, Gov. Corzine already tried raising the cigarette tax in 2007. The result? New Jersey *lost* \$24 million in total revenue as smokers bought cigarettes across state lines. Governor Corzine can not keep hoodwinking the taxpayers of New Jersey with the failed policies of the past.”

The State of New Jersey has had a net population decline every year for the past 10 years. According to the IRS, the Garden State has had a net loss of 335,339 people since 1997 - one of the highest state population outflows in the country. In total, residents who fled took with them \$12.9 billion in income and wealth. Two of the most popular destinations for residents who left were Pennsylvania and Florida, which have income tax rates of 3.07% and 0% respectively.

“Garden State taxpayers are already voting with their feet by fleeing Gov. Corzine’s oppressive regime to low tax states,” added Norquist. “If passed, Gov. Corzine’s budget plan will turn the exodus of tax-refugees into a flood. This plan will not only hurt New Jersey taxpayers, destroy jobs, and cause businesses to relocate across state lines - it will turn New Jersey into a depopulated ghost town. New Jersey taxpayers can no longer pay the price for Gov. Corzine’s exorbitant spending.”

Americans for Tax Reform (ATR) 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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