



October 7, 2014

New Jersey State Legislature
Governor Chris Christie

Dear Members of the New Jersey Legislature and Governor Christie,

I write today in opposition to efforts to raise New Jersey's gasoline tax. Years of reckless overspending has resulted in more than \$18 billion of debt for the Transportation Trust Fund. Nearly every dollar collected from the gas tax is dedicated to interest and investor payments instead of on actual construction projects. **A gas tax hike, however, would harm families struggling to make ends, families who have had to grapple with 20 new and higher federal taxes over the past several years.**

Raising the tax burden on small businesses and families will further add to New Jersey's uncompetitive tax and fiscal environment. **A vote for any transportation funding package that raises the gas tax without dollar for dollar tax cuts elsewhere would be a violation of the Taxpayer Protection Pledge.**

According to the Reason Foundation's 21st Annual Report on the Performance of State Highway Systems, New Jersey spends \$2.02 million per mile of highway, more than any other state in the nation. New York spends less than a quarter of what New Jersey does at \$462,000 per mile on its transportation system. **Project Labor Agreements and prevailing wage laws have greatly contributed to exorbitant costs and a bankrupt Transportation Trust Fund. Capital costs for transportation projects in New Jersey are out of control.**

A comprehensive and forward-looking transportation package should address these cost-drivers. This should start with an audit aimed at identifying waste and mismanagement of Trust Fund dollars. Otherwise, tax dollars actually spent on transportation projects will continue to benefit those who build roads far more than those who use them.

Tax Freedom Day, which is the day when Garden State residents have earned enough money to pay off their total tax bill, falls on May 9th. This is the worst in the nation. This is due in large part to New Jersey having the highest property taxes in the nation and among the highest income and corporate taxes as well. All of these factors have led to New Jersey being ranked 49th in the nation for the Tax Foundation's State Business Tax Climate Index, which partially explains why New Jersey lost 22.3 billion dollars in annual AGI and more than 400,000 residents to states like Florida over the past 20 years.

Discussions about the state's gas tax make it seem as if there is a race to the top on every tax that exists in New Jersey. Efforts to extract more and more money from fewer and fewer people without legitimate long term spending restraint and reform will do little to solve New Jersey's budget woes. **Legislators should work to cut costs, rein in spending, and reject all efforts to increase the overall tax burden.**

If you have any questions about ATR's position on this issue, please contact state affairs manager Paul Blair at 202-785-0266 or by email at pblair@atr.org.

Onward,

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