

Unprecedented Commitment To Growing New Jersey's Economy

Governor Christie Highlights The Largest Cut To Unemployment Business Taxes In Modern History

Today, Governor Christie is announcing that the growing health and solvency of the State's Unemployment Insurance Trust Fund, with a balance of **\$1.8 billion**, will allow for unprecedented tax relief for New Jersey employers. On top of the **\$200 million** tax cut he announced in April, the governor is announcing today that private-sector businesses will find another tax cut of **\$180 million**. The total savings, effective July 1, 2016, is now **\$380 million**, the largest cut to unemployment business taxes in modern history.

Past administrations crippled the Trust Fund with \$4.6 billion in diversions over two decades and multiple tax table adjustments. It went broke in March 2009, as laid-off workers filed for unemployment benefits during the Great Recession and the state was forced to borrow money from the federal government to make those benefit payments.

The fund reached a peak deficit of \$2.1 billion.

Through reform efforts, including an award-winning anti-fraud initiative, the Christie Administration brought the Trust Fund back into full solvency by 2014, two years ahead of schedule and just in time to spare New Jersey employers a \$213 million tax hike under the Federal Unemployment Insurance Tax Act (FUTA). Countless people also were spared from losing their jobs, as Governor Christie worked with the Legislature to eliminate \$1 billion in threatened tax hikes on state businesses between 2010 and 2013 that would have been triggered under state laws designed to replenish the troubled Trust Fund.

Governor Christie's administration will continue its steadfast pursuit to make New Jersey a more affordable place to create jobs and grow businesses, so residents have greater opportunities to support their families, advance their careers, and enrich their communities.

TAKING ACTION TO PROMOTE JOB CREATION

Governor Christie has made New Jersey a pro-growth state by lowering taxes, cutting red tape, and increasing investments in our state's future.

- **Six Years With No New Taxes:** In the eight years before Governor Christie took office, taxes and fees had been increased 115 times, making New Jersey the most heavily taxed state in the nation and placing an undue burden on residents and job-creators alike. Since then, Governor Christie has signed six consecutive balanced budgets without raising taxes once, and repeatedly vetoed tax increases passed by the Legislature.
- **\$2.32 Billion In Targeted, Job-Creating Business Tax Cuts:** In 2011, Governor Christie secured bipartisan passage of overdue reforms to New Jersey's tax code that had stalled in Trenton. Among the tax reforms included were long-awaited changes to a single sales factor formula to incentivize business retention and location in New Jersey; income/loss netting and loss carry-forward reform; a 25% reduction in the minimum tax on S-Corporations; R&D incentives; and a phase out of the Transitional Energy Facility Assessment.
- **Bipartisan Job-Creation Legislation:** In September 2013, Governor Christie signed the bipartisan Economic Opportunity Act (EOA), a sweeping overhaul of New Jersey's Economic Incentive Programs and the result of months of hard work from members of both parties. The EOA reformed New Jersey's byzantine array of economic incentive programs by focusing on streamlining the state's numerous economic incentive programs, simplifying the application process, and targeting incentives to better encourage investment in New Jersey's most distressed communities.

- Since the enactment of the EOA, under the Grow NJ and Economic Redevelopment and Growth (ERG) programs, 201 projects have been approved for up to \$3.99 billion that are associated with capital investment of over \$6 billion. These projects are expected to create more than 27,120 new jobs and 22,275 construction jobs, and retain more than 19,680 jobs at risk of leaving the state.
- **Over \$13 Billion In Public-Private Investment:** Through the Christie Administration's pro-growth policies, New Jersey has once again become a home for business. From Fortune 500 firms to small and medium-sized businesses, 374 companies have used various economic development assistance programs offered by this administration, generating and retaining more than 92,000 jobs, and bringing more than \$13.7 billion dollars in total public-private investment to the Garden State.
- **The New Jersey Partnership For Action:** The centerpiece of the administration's economic development agenda, the Partnership is comprised of four interconnected and highly-focused organizations:
 - **Choose New Jersey:** A 501(c)(3) run by private businesses to market the state's core strengths;
 - **The New Jersey Economic Development Authority:** The state's "bank for business;"
 - **The Business Action Center:** A "one-stop" shop for businesses, working as an extension of their teams for financial solutions, site selection, or to resolve compliance issues.
 - **The Red Tape Review Commission:** Established in September 2011, the Commission spurs economic activity by reviewing and eliminating administrative rules and regulations and soliciting public input on regulatory barriers to analyze their impact on job creation, growth, and investment.
 - The Review Commission's efforts resulted in the elimination of over 2,200 pages of onerous and unnecessary regulations and the implementation of a more rigorous rules review process to measure the costs against the benefits of each proposed new rule. That represents nearly half of regulatory language on record in the New Jersey Register of proposed and adopted regulation.
- **Making New Jersey A Research Powerhouse:** Governor Christie signed into law a bipartisan and long-awaited overhaul of the state's higher education system that had eluded leaders in the state for more than a decade. This sweeping legislation promotes long-term, sustainable economic growth and high academic achievement by fostering three hubs of higher education excellence in the northern, central, and southern parts of the state.
 - Rutgers University has become a Top-25 research institute based on the combined outside funding sources of the merged universities.