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## Video & Transcript: Governor Christie: Historic TTF Deal Improves NJ's Economy, Affordability & Infrastructure

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Governor Christie: Historic TTF Deal Improves NJ's Economy, Affordability ...

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### Transcript:

**Governor Christie:** Good afternoon everyone. Thank you for coming at this late hour on a Friday. As you had heard during parts of this week, on my radio show this week that the Senate President, the Speaker and I have been having ongoing conversations about trying to solve the Transportation Trust Fund impasse. I want to thank both of them for their forthrightness in the conversations. These have not been easy discussions for anybody but when you think about the importance of what we're announcing today, these conversations aren't brought to a conclusion easily. First, let me that we are going to be reauthorizing the Transportation Trust Fund for eight years at \$2 billion a year. That will be the longest reauthorization for the Transportation Trust Fund in its history and the largest reauthorization of the Transportation Trust Fund in history. That will mean for the people of New Jersey that over the next 8 years when we combine the funds that will be contributed by the state and the funds that will be contributed by the federal government that over \$32 billion will be invested in infrastructure improvements and modernizations in the state of New Jersey over the next 8 years. That will be good for the state's economy, that will be good for the citizens of our state and it is something that I think all of three of us are very, very proud of. That will be financed by the 23-cent increase in the gas tax. I'm also proud of the fact that we are financing these expenditures in a responsible way. There has not been a gas tax increase in this state since 1988, many Governors have talked about doing this over time but have not been willing to do it. Months ago I said I was willing to increase the gas tax if it represented tax fairness and I've kept my word on that. And so while I have not authorized any other

tax increase during my time as Governor, I'm authorizing this one because the importance of the Transportation Trust Fund, the tax fairness that we've accomplished together and the compromise that we've reached and because we need to responsibly finance this type of activity. So what are we doing regarding tax cuts in this package, which will happen at the same time. Well first, we're going to continue our commitment to tax cuts for working New Jerseyans, especially for working New Jerseyans that are challenged. As you will recall two years ago, I increased in the budget along with the legislature, the earned income tax credit from 20 percent to 30 percent. Through this agreement we are going to increase the Earned Income Tax Credit again from 30 to 35 percent beginning in this tax year, the tax year of 2016. We're proud to do that. Secondly, we want to take care of our retirees and so we're going to 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 those married filing separately. Phase that in over four years, this is going to help make life in New Jersey even more affordable for our retirees. We're going to provide a personal exemption on state income tax for all New Jersey veterans who are honorably discharged from active service in the military or the National Guard. Our veterans are sacrificing a great deal given all the conflicts and wars they've been involved in, especially over the last 12 years or so. We want to make sure that veterans in New Jersey are taken care of and that their lives are more affordable here, as well. Next, we're going to eliminate the estate tax. The estate tax has been a drag, in my view, on economic growth, and on the stability of keeping people in the state, affording to keep them in the state, and we'll do it in this manner: We'll phase out the estate tax over the next 15 months, replacing the current \$675,000 threshold with a \$2 million exclusion after January 1<sup>st</sup> of 2017, and then we will eliminate the estate tax all together as of January 1, 2018. Lastly, we will reduce New Jersey's sales tax. On January 1<sup>st</sup> of 2017 the sale tax will go down an eighth of a point from 7% to 6.875%. The following year, on January 1st of 2018, the sales tax will go down another quarter of a point from 6.875 to 6.625. That's a 3/8 of a point percent decrease in the sales tax. It's the first state wide tax cut that has been enacted in New Jersey that affects all New Jerseyans since 1994. All of these things are going to lead to a more affordable state for the people of our state, and they're going to lead to an infrastructure that is even better than what we have today. I'm going to be urging and campaigning between now and Election Day for the voters to approve the constitutional question to dedicate 100% of the gas tax revenues to the transportation trust fund. The average New Jersey driver will see a reduction of an estimated \$600 with all of the repairs that we're going to be making for the repairs they won't have to be making to their own cars. That state DOT and the U.S. DOT has estimated the average New Jersey driver spends that much on vehicle repairs caused by bad road conditions, and New Jersey families will see broad based tax cuts. That's really important. It's going to improve the economy of our state, improve the affordability of our state and improve the infrastructure in our state. So, I'm really proud to come to this agreement and I'll also say that I've had conversations today with the Republican leader in the Assembly, Jon Bramnick. Assemblyman Bramnick has said that he, Assemblyman Rible and Assemblyman Rumana, the three leaders in the state assembly, are supportive of this compromise and will support it. I've also had conversations with Senator Tom Kean, and he is in the process of polling the folks in his caucus since we just came to this agreement in the last hour, and he will be ready to talk about which Republicans will be willing to support this package as well at the appropriate time. So I thank again the Senate President and the Speaker for their willingness to continue to negotiate and talk over the course of time. And I'm very happy to be able to be participant in this further investment in our state and making our state more affordable for our citizens.

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