



Fighting For Middle And Working Class New Jerseyans

Governor Christie Is Building On His Bipartisan Compromise Plan To Lower Property Taxes and Fully Restore The Earned Income Tax Credit

"This is the right plan at the right time directed to those who need property tax relief the most – our middle- and working-class families. By setting an income eligibility ceiling of \$400,000 and restoring the full Earned Income Tax Credit, we are spreading relief across a wide and deserving swath of New Jerseyans. This improves upon the bipartisan agreement we reached last year but was ultimately rejected by some legislators, who now have no reason to stand in the way of a responsible tax relief plan."

-Governor Chris Christie, April 15, 2013

TAX RELIEF FOR MIDDLE AND WORKING CLASS TAXPAYERS

Governor Christie Has Proposed A Fair, Responsible Tax Cut Plan That Builds On His Bipartisan Compromise To Provide Tax Relief For New Jersey Families:

- Under Governor Christie's Plan, New Jersey Taxpayers Will Be Able To Claim An Income Tax Credit Of Up To 10 Percent Of Their Property Tax Bill.
 - The 10 Percent Credit Is Capped At \$10,000 Of Property Taxes Paid And All New Jersey Homeowners With Up To \$400,000 In Income Will Be Eligible For Relief, Phased-In Over Four Taxable Years.
- An Increase In The "Renter's Credit" From \$50 To \$100 For Tax Year 2013, Rising To \$200 By Tax Year 2015.
- An Increase In The Earned Income Tax Credit To 25 Percent Of The Federal Tax Credit That Will Bring Relief To About 528,000 EITC-Eligible Taxpayers.

As part of Governor Christie's efforts to work together to get this done, the Governor has proposed an answer that should and must end any pretext for withholding tax relief. His proposal, contained in a conditional veto of Senate Bill 2535, would authorize the legislature each year to activate a "revenue circuit-breaker" and prevent implementation of the tax cuts if State revenues are insufficient.

HISTORIC, BIPARTISAN PENSION AND BENEFITS REFORM

Governor Christie Signed Sweeping Bipartisan Pension And Benefits Reform That Will Save New Jersey Taxpayers \$120 Billion Over The Next 30 Years: Governor Chris Christie signed into law landmark pension and health benefit reform in June 2011, marking months of hard work, negotiation, compromise and ultimately bipartisan support. (Governor Chris Christie,

"Governor Christie Signs Into Law Bold, Bipartisan Pension and Health Benefits Reform," [Press Release](#), 6/28/11)

- Pension reforms will save New Jersey taxpayers over \$120 billion over the next 30 years; and

- Health benefits reforms will save an additional \$3.1 billion over the next 10 years.

The Christie Administration has also taken aggressive action to implement more responsible, efficient and effective management of the state's pension and benefits systems. In addition to the savings realized from the sweeping pension and benefits reform, responsible management and increased oversight has produced an additional savings of \$116 million for taxpayers in fiscal year 2013 alone.

A 2 Percent Hard Cap On Property Taxes: In July 2010, Governor Christie signed into law a 2% hard cap on property taxes, marking the first significant step toward bringing lasting property tax reform to New Jersey.

- "New Jersey homeowners paid an average of 2.4 percent more for property taxes in 2011, the smallest increase in nearly two decades ..." (Megan DeMarco & Eric Sagara, "Did N.J. Property Tax Reform Help Most Taxpayers?" [Star Ledger](#), 1/8/12)
- *Star-Ledger*: "At Long Last, Tax Relief"

PUTTING NEW JERSEY'S FISCAL HOUSE IN ORDER

Governor Christie Closed Has Closed Deficits And Put New Jersey On A Sounder Fiscal Footing *Without Raising Taxes*: Gross fiscal mismanagement had left an enormous \$2.2 billion deficit in the fiscal year 2010 budget, with less than half of the budget year remaining, when Governor Christie was sworn into office. Governor Christie acted to bring the budget back into balance, and did it without raising taxes, raiding the already-shrinking surplus, or increasing debt. In Fiscal Year 2011, Governor Christie again acted decisively to close an \$11 billion budget deficit and pass a balanced budget that set New Jersey on the difficult, but proper course to toward a sounder fiscal footing.

- Through the budget, Governor Christie has brought about fundamental government reforms, while still acting on a commitment to provide for the most vulnerable New Jerseyans.
- The result has been a regularly balanced budget that has put the State on sound financial footing and critical reforms to control the cost of government to ensure that New Jersey never again reaches the brink of disaster as it did in 2010.

Holding Spending Below Fiscal Year 2008 Levels. Governor Christie's fiscal year 2014 budget proposal reinforces his commitment never to return to the reckless spending and fiscal irresponsibility in Trenton that brought New Jersey to the brink of catastrophe, holding spending below 2008 levels.

A Smaller, More Efficient State Government. Governor Christie has acted on his commitment to building a more common-sense state government that works smarter and better. The Christie Administration's government reorganization in fiscal year 2013 focused resources and services on the individual, creating new reformed agencies to provide for the holistic needs of New Jersey's most vulnerable populations.

- Governor Christie's efforts have resulted in a more efficient and streamlined state government. There are currently **5,200** fewer state government employees than when the Governor took office.

Historic Reductions In Reliance On One-Shot Revenue. The last budget passed by Trenton prior to Governor Christie taking office relied on non-recurring revenues for **13 percent** of its funding. The Governor believes this over-reliance on one-shot revenue was short-sighted and today his budget proposal holds such funding to just **3 percent**.

The Largest Pension Payment in State History. Building on the sweeping, bipartisan pension and benefit reforms and Governor Christie's commitment to restoring solvency to New Jersey's pension obligations, the fiscal year 2014 budget will make a **\$1.676 Billion** payment to the State's pension funds.