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NEWS RELEASE

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Gov. Whitman Applauds Decision Expanding Tax Cut Minimum \$100 Million Benefit Follows Tax Rebate, Freeze and Exemption Funded Last Night

NJ Gov. Christie Whitman today praised this afternoon's decision by the Supreme Court of New York agreeing that New York's commuter tax reduction is unconstitutional, as applied, and expanding the tax cut to include all New Jersey commuters who work in New York City.

"The decision today is great news for New Jersey commuters. As a result of today's action, 240,000 New Jersey commuters will save a minimum of \$100 million in onerous out-of-state taxes," she said.

"Tax cuts have been at the core of our economic recovery, and I'll fight to win them for New Jersey residents any way I can," she said.

"All in all, it's been a very good couple of days for taxpayers in New Jersey. Last night the Legislature approved a new state budget with more than \$200 million in new direct tax relief programs, and today we saved taxpayers easily another \$100 million," she said.

"That's more than \$300 million that can be spent in the New Jersey economy, where it belongs," she added.

The Whitman Administration filed suit against the State of New York on June 9th in response to the enactment of a commuter tax reduction law with an unconstitutional application. Although the commuter tax is levied on all commuters who work in New York City, the tax reduction was enacted only for the residents of New York State.

In the ruling the Supreme Court of New York found the limited tax reduction to be unconstitutional on three grounds; privileges and immunities, due process and interference with interstate commerce. Although the New Jersey suit was successful, there is a possibility that the City of New York could appeal the rejection of its earlier claim that the entire tax cut should be repealed.