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# **Sales Tax...**

**Where the money  
is going**



Prepared by the  
New Jersey Sales Tax Bureau  
in response to taxpayers' questions.

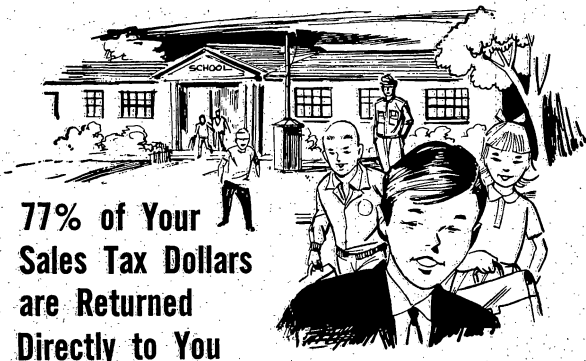
**New Jersey State Library**

In 1966, the New Jersey Legislature enacted a State Sales and Use Tax. Under this program, the State has appropriated \$168.3 million. This added amount will help the State to meet its responsibilities to its citizens in the year ahead.

You, the taxpayer, have every right to know how this additional money is being spent . . . just where your sales tax dollars are being put to work.

This booklet is intended to answer your questions. It shows graphically the areas of need, and it describes exactly how your tax dollars are being put to work to meet these needs.

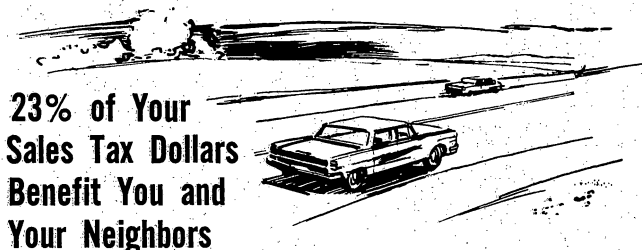
To see precisely how your sales tax dollars are put to work in your locality, see the chart on pages 4 and 5.



## **77% of Your Sales Tax Dollars are Returned Directly to You**

The pennies and dollars you are asked to pay when you make a purchase in New Jersey, for the most part, are returned directly to you, the taxpayer. Seventy-seven per cent of all sales tax revenue—\$129 million to be exact—is returned directly to New Jersey's counties and municipalities.

By far the largest portion—\$95 million—is for increased State aid to local school districts, while \$34 million is returned as increased State aid for county and municipal road construction.



## **23% of Your Sales Tax Dollars Benefit You and Your Neighbors**

In addition to the dollars returned to local school districts and for county and municipal roads, 23 cents out of every sales tax dollar has been allocated by the State Legislature for broad programs of aid, including much-needed capital expansion of the State University and State colleges . . . aid to railroads . . . State highway construction . . . advance purchases of highway rights-of-way . . . expanded aid to local health districts, to name just a few.

These programs will benefit you, as well as every resident in New Jersey, and in some cases, will provide additional local aid to counties and municipalities where needed.

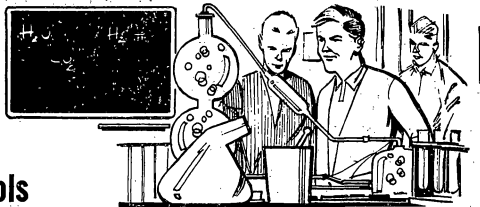
## HOW THE TAX DOLLARS ARE BEING SPENT

### STATE AID TO LOCAL SCHOOL DISTRICTS (State Aid Formula)

### STATE AID FOR COUNTY ROADS

### STATE AID FOR MUNICIPAL ROADS

| County        | What it<br>was       | Additional<br>from<br>Sales Tax | What it<br>is now    | What it<br>was     | Additional<br>from<br>Sales Tax | What it<br>is now   | What it<br>was     | Additional<br>from<br>Sales Tax | What it<br>is now   |
|---------------|----------------------|---------------------------------|----------------------|--------------------|---------------------------------|---------------------|--------------------|---------------------------------|---------------------|
| Atlantic      | \$ 3,112,154         | \$ 2,332,364                    | \$ 5,444,518         | \$ 446,700         | \$ 810,800                      | \$ 1,257,500        | \$ 267,521         | \$ 690,970                      | \$ 958,491          |
| Bergen        | 12,347,096           | 5,340,050                       | 17,687,146           | 702,960            | 1,960,400                       | 2,663,360           | 496,389            | 1,503,530                       | 1,999,919           |
| Burlington    | 7,968,774            | 5,238,174                       | 13,206,948           | 593,460            | 1,124,600                       | 1,718,060           | 267,939            | 794,360                         | 1,062,299           |
| Camden        | 9,444,856            | 9,308,183                       | 18,753,039           | 480,180            | 1,233,800                       | 1,713,980           | 317,233            | 850,780                         | 1,168,013           |
| Cape May      | 830,276              | 490,361                         | 1,320,637            | 273,160            | 361,800                         | 634,960             | 250,000            | 203,280                         | 453,280             |
| Cumberland    | 3,512,938            | 3,141,581                       | 6,654,519            | 510,760            | 972,600                         | 1,483,360           | 260,791            | 332,710                         | 593,501             |
| Essex         | 14,296,358           | 14,415,261                      | 28,711,619           | 637,280            | 1,835,800                       | 2,473,080           | 518,899            | 1,447,110                       | 1,966,009           |
| Gloucester    | 4,986,403            | 4,478,602                       | 9,465,005            | 385,380            | 825,200                         | 1,210,580           | 250,000            | 379,260                         | 629,260             |
| Hudson        | 6,699,406            | 7,238,372                       | 13,937,778           | 425,320            | 1,185,600                       | 1,610,980           | 414,823            | 858,550                         | 1,273,373           |
| Hunterdon     | 1,623,026            | 750,539                         | 2,373,565            | 305,720            | 479,800                         | 785,520             | 250,000            | 293,230                         | 543,230             |
| Mercer        | 4,985,887            | 4,772,893                       | 9,758,780            | 318,980            | 695,200                         | 1,014,180           | 311,814            | 551,880                         | 863,694             |
| Middlesex     | 10,322,362           | 7,890,545                       | 18,212,907           | 489,580            | 1,185,600                       | 1,675,180           | 362,675            | 975,310                         | 1,337,985           |
| Monmouth      | 9,728,208            | 7,506,107                       | 17,234,315           | 506,240            | 1,071,400                       | 1,577,640           | 332,871            | 958,510                         | 1,291,381           |
| Morris        | 6,516,718            | 3,704,199                       | 10,220,917           | 434,180            | 874,600                         | 1,308,780           | 311,609            | 783,510                         | 1,095,119           |
| Ocean         | 3,887,702            | 2,137,972                       | 6,025,674            | 573,060            | 1,115,000                       | 1,688,060           | 250,000            | 565,390                         | 815,390             |
| Passaic       | 6,166,179            | 4,887,436                       | 11,053,615           | 409,840            | 1,021,800                       | 1,431,640           | 362,751            | 724,290                         | 1,087,041           |
| Salem         | 2,223,253            | 1,746,090                       | 3,969,343            | 337,220            | 625,000                         | 962,220             | 250,000            | 201,810                         | 451,810             |
| Somerset      | 3,798,265            | 2,584,121                       | 6,382,386            | 304,460            | 584,200                         | 888,660             | 250,000            | 416,460                         | 666,640             |
| Sussex        | 1,735,673            | 797,808                         | 2,533,481            | 332,260            | 490,200                         | 822,460             | 250,000            | 293,580                         | 543,580             |
| Union         | 7,802,505            | 4,440,582                       | 12,243,087           | 399,820            | 1,064,400                       | 1,464,220           | 362,874            | 907,830                         | 1,270,704           |
| Warren        | 1,631,878            | 1,295,920                       | 2,927,798            | 288,380            | 482,200                         | 770,580             | 250,000            | 267,470                         | 517,470             |
| <b>TOTALS</b> | <b>\$123,619,917</b> | <b>\$94,497,160</b>             | <b>\$218,117,077</b> | <b>\$9,155,000</b> | <b>\$20,000,000</b>             | <b>\$29,155,000</b> | <b>\$6,588,189</b> | <b>\$14,000,000</b>             | <b>\$20,588,189</b> |



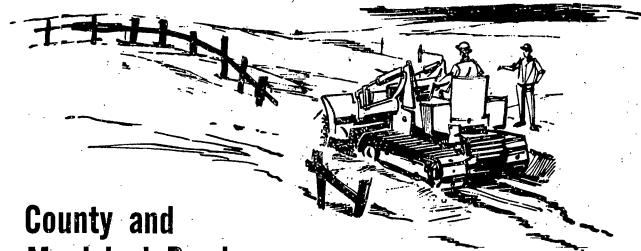
### Schools

Out of every sales tax dollar collected by the State of New Jersey this year, approximately 57 cents will be returned directly to aid local school districts.

During the 1966-67 fiscal year, one-third—approximately 19 cents of each sales tax dollar—has been used to increase State aid to local school districts, while the remaining 38 cents has been used for local tax relief. In other words, without the sales tax, your property tax would have been higher this year.

Next year, however, the full \$95 million earmarked for schools . . . will go directly to local school districts.

However, in future years it will be up to you and your neighbors to see that these continuing funds are used wisely . . . that you are getting the most for your tax dollars.

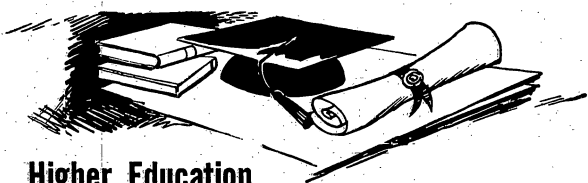


### County and Municipal Roads

Automobile travel has become a way of life for the American public. And to travel comfortably and safely, you need not only new Federal and State highways, but your State must keep abreast with a modern network of county and municipal roads and highways as well.

With the New Jersey Sales and Use Tax, more than \$34 million dollars—or 20 cents of each sales tax dollar collected—is earmarked as increased State aid in this most important area.

This means that of every \$1 in taxes that you pay, 20 cents is helping to pay for better roads in your county and your municipality . . . where you do most of your driving.



## Higher Education

Sorely needed capital construction projects at Rutgers, the State University, at Newark College of Engineering and at the six New Jersey State Colleges will be financed by six cents out of each sales tax dollar. Thus, these institutions will receive \$10.8 million of your sales and use taxes this year.

The sales tax revenue set aside by the Legislature for these improvements frees additional funds for fulfilling the State's other unmet needs.

Your tax dollars, then, will give New Jersey's youth the opportunity to attend a school of higher education here in New Jersey.

## Highway Construction and Rights-of-Way

To meet the growing need for more and better State highways, the State Legislature has allocated seven per cent of anticipated sales tax revenue—or \$12 million—for State road construction projects this year and for advance purchases of highway rights-of-way.

Ten million dollars has been set aside for construction to supplement general funds already allocated for State roads, and will be used not only for road construction itself, but for the equally important safety features as adequate posting of signs, modern highway lighting and the elimination of dangerous road problems.

The other \$2 million has been especially set aside for advance purchase of rights-of-way. If you knew you could purchase a needed item for \$1, and that tomorrow the same item would cost \$2, wouldn't you buy today to save the increase? That's exactly what the State is doing with one per cent of each sales tax dollar it collects—buying the rights-of-way for the highways it knows it will need in the future, thus saving you untold millions of dollars in higher future costs.

It has been estimated that the \$2 million appropriated for land purchases this year will enable New Jersey to buy land that would cost about \$5 million several years from now.

## Health Services and Sewerage Fund

As New Jersey's population continues to grow, the needs for expanded local health services grow with it. Local health districts throughout the State will receive approximately a penny and a half from each sales tax dollar—or \$2.3 million—as additional State aid to build up their staffs to carry out needed disease prevention programs.

Another \$3 million will also be expended by the State Department of Health to finance a State sewerage planning fund. Representing roughly another cent and a half of the sales tax dollar, this fund will be available as grants to municipalities, groups of municipalities, counties or sewer authorities to conduct feasibility studies for sewer programs.



## Aid to Railroads

You are no doubt aware of the difficulties facing New Jersey's railroads. To keep the railroad system in New Jersey functioning, particularly those railroads that maintain commuter operations, the State has set aside approximately four cents out of every sales tax dollar to aid the railroads.

This amount—\$7.5 million—will go a long way toward the purchase of new rolling stock and toward the maintenance of existing equipment and facilities.

Without this aid to railroads, commuters would be forced to use the highways, creating more congestion, more safety hazards and increasing costs because of the need for additional new highways.

## **Institutions And Agencies**

New Jersey's institutions and agencies also will benefit from the sales tax revenue. The Legislature has set aside \$1.2 million for preliminary planning of needed physical facilities at State institutions which are caring for the sick, the veterans, the elderly, and the needy of New Jersey.

This \$1.2 million will be used to plan new projects such as a Blind Children's Training Unit at Johnstone Training School, a Children's Psychiatric Treatment Facility at Trenton State Hospital, Medical Facilities at the Vineland State School and an Affiliate Nurses' Training and Education Center at Greystone Park.

## **Assistance to Municipalities**

To save from harm municipalities which might be affected by recent changes in the State's business tax structure, \$2.5 million has been allocated, roughly one and a half cents from each tax dollar.

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## **The Future**

This fiscal year, New Jersey expects to use \$168.3 million in sales tax revenue. The items discussed in this booklet give you some indication as to how that money will be spent. But how about the years to come? Where will your tax dollars be put to work?

The funds will be used in the future to meet constantly expanding programs for New Jersey's continuously growing needs.

At the same time, the State has a responsibility to spend prudently to continue these policies that have enabled New Jersey government to operate with fewer employees and at lower cost per capita than 48 other states.