

## Office of the Governor

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### NEWS RELEASE

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### **Governor Whitman Directs Attorney General to File Legal Challenge to Commuter Tax Bill**

New Jersey Gov. Christie Whitman today directed her attorney general to file a class action lawsuit seeking to declare unconstitutional a New York law that would repeal the New York City commuter tax for New York state residents only.

The New York law, signed today by Gov. George Pataki, would force New Jersey commuters who work in New York City to continue paying the tax, but would exempt those who live in New York state.

"While I'm all for cutting taxes, I believe it should be done fairly and constitutionally. The law signed today is both unfair and unconstitutional," Gov. Whitman said. "I will not stand by and permit New Jersey commuters to be singled out to pay a tax to New York City that New Yorkers will not have to pay."

Approximately 240,000 New Jersey commuters - who pay .45 percent of their income to New York City - pay a total of about \$110 million a year.

Also today, Gov. Whitman signed a bill that would clarify state law allowing the attorney general to file a lawsuit on behalf of the New Jersey commuters.

**A-1040**, sponsored by Assembly Members Richard Bagger (R-Middlesex/Morris/ Somerset/Union) and Rudy Garcia (D-Hudson) and Senators Louis Kosco (R-Bergen) and Bernard Kenny (D-Hudson), supplements the attorney general's existing powers and authorizes him to initiative or intervene in any action on behalf of affected New Jersey citizens. The bill also appropriates \$95,000 to cover the fees, costs, and expenses of the lawsuit.