

## Office of the Governor

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### NEWS RELEASE

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RELEASE: October 18, 1999

### **Governor, Senate President and Speaker Announce State Sales Tax Relief for Tropical Storm Floyd Victims --NJ to Receive \$5 million in Energy Aid for Flood Victims--**

Governor Christie Whitman, Senate President Donald T. DiFrancesco and Assembly Speaker Jack Collins today announced support for legislation that would grant state sales tax exemptions to victims of Tropical Storm Floyd.

The tax relief would apply to those who have submitted aid applications to the Federal Emergency Management Agency (FEMA) and would be retroactive to September 17th, when the storm hit New Jersey.

"Since the flooding began, state and local officials have been working together to determine how state funds can be used most effectively to fill the gaps left by the various aid programs and reach those hardest hit by Tropical Storm Floyd. One concrete way in which we can help is to eliminate the state sales tax - and make the legislation retroactive - so that flood victims can get some additional financial relief as they start rebuilding their lives," said Gov. Whitman.

"Whether the measure helps people buy new household items, rebuild or clean-up their properties, this measure will help cut down on some of the costs associated with the aftermath," she said.

Gov. Whitman said that the federal government responded today to her request to use Low Income Home Energy Assistance Program (LIHEAP) emergency funds for energy-related damage caused by the Tropical Storm Floyd. New Jersey will receive \$5 million to be used for utility reconnection costs, repair or replacement of circuit boxes, furnaces and air conditioners, and removal and replacement of soggy insulation. The funds can also be used to pay energy costs through the winter.

"These funds will provide much-needed assistance to low- income families, senior citizens and people with disabilities who were devastated by Floyd," said Gov. Whitman.

"This measure is another way in which the State can provide a tangible measure of relief to the many individuals who are facing extraordinary expenses in trying to replace or repair the everyday possessions we take for granted, including appliances and furniture," said Senate President DiFrancesco.

"State government does not have the financial resources to address the widespread devastation caused by Tropical Storm Floyd, but we will continue to

supplement any relief efforts by the federal government," said Speaker Collins.

"This particular piece of legislation is just one of many flood-relief bills that I expect the Legislature to consider in the coming months," Collins added. "We in the Assembly will continue to work with Governor Whitman and Senate President DiFrancesco and evaluate any additional flood relief measures in the future."

The Tropical Storm Floyd state sales tax exemption program, which would be administered through the New Jersey Division of Taxation, would cover building and repair materials bought by contractors for work on behalf of FEMA applicants; goods and services delivered to and performed at the address of FEMA applicants - even the purchase of automobiles.

The Division of Taxation will authorize a special sales tax exemption certificate to FEMA applicants, which they would then present upon making purchases of the aforementioned products and services. In addition, the Division of Taxation will be able to provide FEMA applicants with refunds on purchases made to date so even more victims can benefit from this particular state aid program.

Gov. Whitman also said that she has been assured by FEMA Director James Lee Witt that the state sales tax exemption would not jeopardize or reduce the amount of federal assistance individuals and businesses are eligible to receive.

"It's been my concern that federal assistance to our affected communities won't provide all of the help they require," said Gov. Whitman. "At this point, we're moving ahead with our own in-state measures to provide some immediate relief in anticipation of getting what is needed from the federal government."

The Governor thanked Assemblyman Peter J. Biondi, Jr. (R- Somerset/Morris), who represents many of those affected by the flooding, for his input into how the state can best help with relief efforts.

Gov. Whitman said that she was pleased to learn on Saturday of FEMA's decision to provide lump sum benefits, of up to \$10,000 per person, for those eligible for 18 months of rental assistance. Before the lump sum grants were announced, homeowners had to apply every three months for up to 18 months for assistance.

"This is the type of flexibility I have been asking for on behalf of our residents affected by the floods," said Gov. Whitman. "The lump sum payment will allow greater flexibility for homeowners with their immediate housing needs."

