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Governor Chris Christie Calls on Legislature to Join Him and Immediately Act to Deliver Middle-Class Tax Relief

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Tags: [Taxes](#)

Vetoes \$800 Million Tax Hike While Providing Middle-Class Tax Relief Proposal In Line With Bipartisan Tax Plans

Trenton, NJ – Continuing his commitment to put in place an immediate tax relief plan for New Jersey families, Governor Chris Christie today conditionally vetoed A-3201, preventing a tax increase and sending a responsible, middle-class tax relief plan back to the Legislature to be acted on immediately. With his veto, the Governor again affirmed that the days of endless tax increases on New Jerseyans are over and urged members of both parties to support tax relief through a compromise proposal that is in line with bipartisan efforts and that makes relief a reality today.

"Once again, we have an opportunity to show the rest of the nation that New Jersey is the model for effective governance in America. Now is the time to stop the posturing and gamesmanship and instead deliver tax relief to the people who need and deserve it – the middle-class families of our state," said Governor Christie. "This requires putting people before party and accepting that the days of tax increases that killed our economy are over. Lowering taxes on the most overtaxed people in the nation is the new reality and our obligation after years of sacrifice. I urge the Legislature to join me in this effort by acting immediately on this bill that provides the path forward to meaningful, middle-class tax relief, economic growth and competitiveness."

Governor Christie returned the bill to the legislature with amendments to deliver tax relief for New Jersey families, rather than another tax increase. The amended legislation will provide New Jersey residents with household incomes up to \$400,000 an income tax credit equal to 10 percent of their annual property tax bill for the prior year, up to \$1,000 when fully phased in after four years. Net-profits from a trade or business (derived from federal Schedule C income) will not be counted against the household income threshold.

At the same time, the Governor's proposal includes a full restoration of the Earned Income Tax Credit proposed in his January State of the State Address. At 25 percent of the federal tax credit, the state EITC will be fully implemented in taxable year 2013, providing a \$550 benefit to the average eligible beneficiary - struggling working families who most need the help.

After decades of consistently high taxes and the highest tax burden in the country, this proposal sets the table for real, meaningful tax relief to be made a reality - with bipartisan support. The Governor's proposal will appropriately and responsibly stimulate New Jersey's economy, deliver real relief to families, improve our tax climate and build upon the momentum of the New Jersey Comeback.

In vetoing the \$800 million tax included in the legislation, Governor Christie said, "As I vowed during my candidacy, reaffirmed after my election, and said in vetoing this tax the first two times, I will not allow a job-killing tax increase to be levied on our families and small businesses. Those policies ended with my election and they certainly will not be returning again while I am Governor. This is a moment to put money back in the pockets of the people of our state who need it most – our working and middle-class families – not to take more away from them. I hope the Legislature will delay no further in joining me in this effort."

In addition to his Conditional Veto of Assembly Bill No. 3201, Governor Christie also vetoed Assembly Bill No. 3202. PDF copies of each veto message can be found attached to this release.

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[Veto of Assembly Bill No. 3201 \[pdf 430kB\]](#)

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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.**This Will Mean Savings Of \$775 For The Average Family.**

The 10 Percent Credit Is Capped At \$10,000 Of Property Taxes Paid.

All New Jersey Homeowners With Up To \$400,000 In Income Will Be Eligible For Relief.

To Ensure Additional Relief To New Jersey Job Creators, Net-Profits From A Trade Or Business – Derived From Federal Schedule C Income – Will Not Be Counted Against The Income Tax Cap.

These Changes Will Deliver Tax Relief To Nearly 80,000 Additional New Jersey Families.

Once Fully Phased In, Renters Will Receive A \$200 Year In Property Tax Deduction, Up From \$50 Under Current Law.

Governor Christie's Bipartisan Tax Relief Also Increases The Earned Income Tax Credit To 25 Percent Of The Federal Tax Credit.

The EITC Increase Will Be Fully Implemented For Taxable Year 2013 To Provide Immediate Relief To Struggling New Jersey Families.

This Means The Average Eligible Family Will Receive A \$550 Annual Benefit.

It Will Also Make New Jersey One Of The Most Generous Programs In The Country.

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