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Governor Christie Announces Unprecedented Business Tax Relief

Wednesday, May 11, 2016

Tags: [Taxes](#)

Trenton, NJ—Governor Chris Christie today visited New Jersey Manufacturers Insurance Group headquarters in Ewing to announce an unprecedented cut in the state's unemployment insurance taxes on employers, which will boost job opportunities and business growth.

Due to the growing health and solvency of New Jersey's Unemployment Insurance Trust Fund, which now has a balance of \$1.8 billion, New Jersey employers will realize another \$180 million in tax relief on top of the \$200 million tax cut announced in April.

"This additional tax relief will provide employers with the financial freedom to further invest in their own business growth and provide new employment opportunities," Governor Christie said. "The total cut of nearly \$400 million effective on July 1 is the largest single unemployment tax reduction in modern New Jersey history. It will help grow our economy further and provide greater opportunities for New Jersey businesses to expand. Economic growth remains a priority of my administration, and we will continue to implement innovative programs and find cost savings for job creators and residents, while appropriately reforming government to keep our economy moving in the right direction."

On average, New Jersey companies will pay nearly \$100 less per employee in taxes, the first time such relief has been available.

Past administrations crippled the Unemployment Insurance Trust Fund with \$4.6 billion in diversions over two decades and multiple tax table adjustments. It went broke in March 2009, as laid-off workers filed for unemployment benefits during the Great Recession, and the state was forced to borrow money from the federal government to make those benefit payments all resulting in the fund's peak deficit of \$2.1 billion.

Through reform efforts, including an award-winning anti-fraud initiative, the Christie Administration brought the Trust Fund back into full solvency by 2014, two years ahead of schedule and just in time to save New Jersey employers from shouldering a \$213 million tax hike under the Federal Unemployment Insurance Tax Act. Countless New Jerseyans also were spared from losing their jobs, as Governor Christie worked with the Legislature to eliminate \$1 billion in threatened tax hikes on state businesses between 2010 and 2013 that would have been triggered under state laws designed to replenish the troubled Trust Fund.

Anti-fraud tools put into operation by the state Department of Labor and Workforce Development under Governor Christie's administration have saved nearly \$800 million from being improperly drained from the Trust Fund. The tools include matching people receiving unemployment insurance payments against the National Directory of New Hires, using IP software to guard against fraudulent claims being filed from overseas through the Internet, a system of identity proofing anyone filing for unemployment benefits and ensuring individuals are not filing claims from a county jail cell.

The Labor Department also is using the federal Treasury Offset Program to seize federal tax refunds being paid to people who improperly took unemployment payments and is withholding contract payments to vendors and companies under state contract if they owe employee taxes to the state.

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7/19/2017

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