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NEWS RELEASE

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GOVERNOR TESTIFIES BEFORE HOUSE COMMITTEE; URGES CONGRESS TO CONSIDER TAX CUT

Gov. Christie Whitman today told the House Committee on Government Reform that in addition to setting aside funding for high priorities including Social Security and education, Congress should consider returning some of the federal surplus to taxpayers in the form of a tax cut.

"Tax cuts work," the Governor said in testimony before the committee. "They are important to sustaining economic growth, increasing savings and investment capital, and - most of all - giving the working men and women in this country the opportunity to spend more of their hard-earned dollars on the needs of their families."

"Tax cuts keep government's relationship with the people in balance and help limit the size of government. What's more, they can keep our nation headed toward prosperity as we head into a new century," she said.

"When considering what to do with the federal surplus, I believe Congress should set aside funding for high priorities like Social Security and education," the Governor said. "I also believe, however, that congress would do well to consider returning some of the surplus funds to hard-working American taxpayers. As governor of the state that receives the lowest return on our federal tax dollars, I also believe that a tax cut would be most equitable."

Gov. Whitman pointed out that during her campaign for governor in 1993, she proposed a steep cut in New Jersey's personal income tax, including a 30 percent cut for the majority of New Jersey workers.

"The critics had a field day with my proposal. Some said it was a cynical ploy to get elected - and they were convinced I had no intention of making it happen. Some feared I would cut taxes because they said state government couldn't afford the loss of revenue. Others dismissed the idea as likely to have little effect on their families or businesses," she said.

"We phased in the income tax cut between 1994 and 1996, a year ahead of schedule, and removed 350,000 low-income earners from the income tax rolls altogether. And in every one of those years, we increased the number of jobs and businesses in the State of New Jersey, we decreased the state tax burden on our families, and we still brought in more tax revenues than we did the year before," the Governor said.

Attached is a copy of the Governor's testimony.

