



The State of the State In Governor Christie's 7th Year: Lowering Taxes, Creating Jobs, Reclaiming Lives

Making New Jersey More Affordable For All Citizens: As a result of a bipartisan compromise reached between Governor Chris Christie and the legislature, 2017 will be the first year since 1996 that all New Jerseyans will see broad based tax cuts.

- **Reduced Sales Tax:** For years, all items purchased by consumers in New Jersey were subject to a 7 percent state sales tax. Governor Christie cut the sales tax to 6.625 percent, ensuring all New Jersey residents will see a significant decrease in the amount they pay annually. The decrease in sales tax began January 1 with a reduction to 6.875 percent and will be lowered to 6.625 percent in January 2018. This will result in \$520 million in tax relief for New Jerseyans.
- **Lower Income Taxes:** When Governor Christie was elected in 2009, the Earned Income Tax Credit was 25 percent. In 2015, the Christie Administration acted to increase the credit to 30 percent of the federal credit. Now, as a result of bipartisan compromise in 2016, the EITC will rise to 35 percent of that level, providing even more financial assistance and encouragement to New Jerseyans working their way to better lives. In 2016, about 620,000 recipients received benefits averaging \$1,241 and ranging as high as \$2,194. New Jersey's Earned Income Tax Credit is among the top 10 percent of states in the nation in providing this tax relief to the working poor.
- **Protecting Senior Citizens On Fixed Incomes:** In 2017, New Jersey has started to reduce state income taxes for retirees. Over the next four years, the state income tax exclusion on pension and retirement income will increase to \$100,000 for joint filers, \$75,000 for individuals and \$50,000 for married/filing separately. When this tax relief is fully implemented, 90 percent of senior citizens will receive a state income tax reduction, with eight out of every 10 senior citizens paying ZERO income tax on their retirement income. This will greatly reduce the incentive for retirees to leave New Jersey, ensuring generations of families can afford to stay together, enriching society and strengthening the economy.
- **Eliminating Death Taxes:** New Jersey was one of only two states that separately taxed inheritances and estates. This year, a 15-month phase out of the nation's most oppressive estate tax was initiated, replacing New Jersey's current \$675,000 threshold with a \$2 million exclusion and completely eliminating the estate tax on January 1, 2018. This will entice residents of all income levels and employers of all sizes to stay in the state, reinforcing families and keeping capital here for job-creating investments, charitable contributions and the funding of public services.
- **Honoring Veterans For Their Service:** New Jersey is home to approximately 400,000 military veterans. This program allows those who have been honorably discharged from active service in the military or the National Guard to be eligible for an income tax exemption.

Promoting Economic Growth And Creating Jobs: Since the first year of his administration, Governor Christie has been committed to restarting New Jersey's economic engine through private job creation and economic growth. As a result of this

dedication, the State of New Jersey continues to make important economic strides:

- Private-sector employers have added 278,000 jobs since Governor Christie took office, with seven consecutive years of private-sector job growth.
- For the second straight year, a record number of new businesses filed with the Division of Revenues and Enterprise Services. In 2016, more than 103,000 new businesses filed to start operations in the state, improving on the then-record 97,800 new businesses that filed in 2015.
- Governor Christie's responsible management has resulted in a more efficient and streamlined State government. There are 10,000 fewer State government employees than when the Governor took office.
- The property tax cap has produced 21,000 fewer government jobs at our county and municipal governments. Government is smaller at every level seven years later.
- Home sales in the state rose over 15 percent, a good barometer of the health of the state's economy.
- Unemployment has fallen to 5 percent, down 4.8 points from a recessionary peak of 9.8 percent in January 2010.

Restoring Responsible Budgeting To New Jersey Governing: Last year, Governor Christie signed his seventh-consecutive balanced budget that included the largest pension payment in New Jersey history.

- Fiscal Year 2017 discretionary spending was more than \$2.3 billion below 2008 levels.
- The \$1.9 billion contribution to the State's defined benefit funds will bring total contributions by the Christie Administration to \$6.3 billion. That will be nearly double the total contributions of Governors Whitman, DiFrancesco, McGreevy, Codey and Corzine combined.
- Thanks to the reforms passed by this administration, the pension system will save nearly \$120 billion over 30 years.

Making Treatment Easier And More Accessible: Heading into 2017, Governor Christie will continue to address the one pressing issue that has seeped into every aspect of New Jerseyans' lives: the opioid addiction epidemic. In 2016, Governor Christie acted aggressively to combat the rampant spread of this disease that not only affects our medical community and law enforcement officers, but our education system and financial security as well. Many of New Jersey's initiatives and reforms are national models, including:

- Historic financial commitment of over \$127 million to increase mental health and substance use treatment rates and expand access to care.
- Statewide expansion of Drug Court, to provide offenders with addiction treatment options.
- Expansion Of Medicaid which includes behavioral health coverage for previously uninsured low-income adults.
- Creation of the Recovery Coach Program to aid overdose survivors.