

S U M M A R Y

of

ASSEMBLY TAXATION COMMITTEE
Public Hearing On

Governor's Tax Reform Bills

June 5, 1972
City Hall
Camden, New Jersey

(This summary was prepared by the Division of Legislative
Information & Research; it has not been reviewed by the
Assembly Taxation Committee.)

ASSEMBLY TAXATION COMMITTEE

MEMBERS PRESENT

ASSEMBLYMAN EUGENE J. BEDELL, Chairman
District 5B (Monmouth)

ASSEMBLYMAN CHESTER APY
District 5B (Monmouth)

ASSEMBLYMAN WALTER E. FORAN
District 6A (Hunterdon, Part of Mercer)

ASSEMBLYMAN FRANCIS J. GORMAN
District 3B (Parts of Gloucester and Camden)

ASSEMBLYMAN JAMES J. MANCINI
District 4A (Part of Ocean)

ASSEMBLYMAN JAMES P. VREELAND
District 10B (Part of Morris)

Also present:

Senator John J. Miller, Vice-Chairman
District 3C (Part of Camden)

Senator James M. Turner
District 3C (Part of Gloucester)

Senator Joseph A. Maressa
District 3B (Parts of Gloucester and Camden)
(Members of Senate Revenue, Finance and Appropriations)

Senator Frank C. Italiano, Chairman
District 3D (Part of Camden)
(Member of State Government and Federal and
Interstate Relations Committee)

LIST OF SPEAKERS

1. Mayor Joseph M. Nardi
City of Camden
2. Senator John L. Miller
District 3C (Part of Camden)
3. Benjamin B. Foster, Jr.
Fosters' Laundry, Gloucester City
New Jersey Laundry and Cleaning Institute
4. William E. Gould
Non-Resident Taxpayer's Association
5. Allan Schwartz
Cherry Hill
6. Mrs. Mabel Sutman
League of Women Voters of Camden County
7. Hector Rodriguez
Puerto Rico Congress of New Jersey
8. Leo Cinaglia
Cumberland County Central Labor Union
9. Dr. Harry A. Pinsky
Ad Hoc Tax Reform Committee of South Jersey
10. Frank MacKannan
Mantua Taxpayers Association
11. Mrs. Julia Parham
Camden
12. Mrs. Therese Donlan
Merchantville
13. William McDonald
Cherry Hill
14. Mrs. A. R. Laurtes
Regional Congress of Senior Citizens
15. Louis D. Joseph
C.P.A., Camden

16. Mr. Robert Patterson

17. Mrs. Robert Patterson

1. MAYOR JOSEPH NARDI
(Summary of Remarks)

1. Stressed special needs of his city for fiscal help "today", especially in education and welfare. Indicated the need to rearrange the structure of government in order to transfer functions.

2. Cited the Botter decision, and called present property tax confiscatory, while acknowledging the existence of some deficiencies in the proposed plan.

3. Favored the principle of a graduated income tax, making continuous reference to today's need for this legislation, since next year is an election year, and it won't be acted on then.

4. Said he speaks in behalf of those cities that are not attracting business because of their tax rates.

Reply to questions posed by committee:

a. Agreed that a substantial proportion of the land in Camden is untaxed.

b. The 10-25% unemployment rate in the city has been one effect of the overall situation.

c. He endorses the overall package in principle, but expects that loopholes will eventually be found and corrected with appropriate legislation.

d. An income tax is the minimum goal at this time. "As the cities go, so will the State go" since they're so intimately involved with the rest of the State.

e. He is opposed to gambling in any form.

2. SENATOR JOHN MILLER
(Summary of Remarks)

1. Applauded the efforts of the blue-ribbon commission over a period of 22 months, but said the opportunity for legislative review is lacking.

2. Two considerations are most important to him:

a. The need for an income tax.

b. The wishes of his constituents.

He feels there is no need, and his constituents have made this clear to him. He will not support it.

3. Would like the committee to study the problem of resources for the payment of the tax by the people. Feels there is a need for the average middle income taxpayer to have a "reward"--without that, a tax rebellion could be ushered in.

4. Briefly outlined his groups own tax proposal for financing education as an alternate to the Governor's. S-521, 522 and A-512 would provide for a new financial structure for the State. It would provide real property relief, and would correct present inequities.

Reply to questions posed by committee:

a. If the State has some burden in the cost of education at the county college level, it will recognize the need for new economies.

b. Most taxpayers are not aware of miscellaneous exceptional taxes that are not part of the amount that will be limited under law. Some towns will even be paying more, like Teterboro.

c. His program consists of present state funding in addition to a \$2.25 per \$100.00 real property tax. Money would be distributed based on the number of pupils in the different categories.

d. Asserted that his program is constitutional, taking Botter decision into account.

e. The Governor's package in some instances may be considered as a fair broad based tax for all, but it doesn't consider the middle income man with a second or third job. "He's going to get clobbered. This tax package will block that man's incentive for saving."

f. He is not philosophically opposed to an income tax if all are treated fairly.

g. Was unable to make a point by point comparison with the Governor's plan, in response to questioning, but he will make a copy of his alternative program available to the committee shortly.

3. BANJAMIN B. FOSTER, JR.
(Full Statement)

Mr. Chairman and Gentlemen of the Committee:

My name is Benjamin B. Foster, Jr. and I am Treasurer and General Manager of Fosters' Laundry in Gloucester City, N. J., a New Jersey Corporation; also, I am a member of the Board of Directors of the New Jersey Laundry and Cleaning Institute.

Hence, I am here representing Fosters Laundry and representing the New Jersey Laundry and Cleaning Institute, which has been a spokesman for the professional, commercial Laundry and Drycleaning industry in New Jersey for 51 years with its headquarters in Newark, N. J.

This industry is very concerned about some of the proposed changes in the Sales Tax Laws.

But first let me state, the laundry and cleaning industry is not looking for an exemption which our customers do not now have. The Laundry and Cleaning here in New Jersey, as in surrounding states, has been traditionally exempt from the state sales tax because we are considered a vital health service as well as a personal service. We believe that it is essential that exemptions to the sales and use taxes be consistent, hence this traditional exemption should be retained.

I would like to point out that our industry has long been recognized as a vital Health Service, by the Federal and State Governments; our services have been and still are considered essential health services vital to the well being of our community.

Since it has been recommended to continue the exemption on Health Services, then the Laundry and Cleaning services should also be exempt.

The commercial laundry industry deals with many hospitals, institutions and departments of local, county and state governments.

Our own Fosters Laundry serves the needs of county and private nursing homes, industry dispensaries, doctors and dentists offices and clinics, visiting nurse organizations as well as many senior citizens and working wives and single working people. These people and organizations DO NOT consider laundry service as a luxury but a vital health service and should continue to be exempt from sales and use taxes.

You must be convinced that Laundry and Drycleaning Services are not luxury services, but they are services which help to maintain high standards of hygiene. While the very wealthy, or affluent families may have domestic help for part of their laundry service needs, the homemaker - the working person - the senior citizen - all depend on our economical service for all or part of their laundry service. Of course, our entire population depends upon our drycleaning service - because it is an economic necessity. The average man cannot afford to discard garments because they are soiled - - so he needs economic drycleaning service exempt from sales tax.

It would certainly be a burden for low and middle income families to pay from 10 to 40 percent of the original purchase price of an item in sales taxes on its maintenance, particularly since there is no sales tax on the original purchase of the articles. This certainly would not make sense to the working man or woman.

Domestic help performing laundry services and coin operated laundry and drycleaning stores are not taxed, and should not be taxed. Hence, it doesn't make sense to tax the professional laundry and drycleaning services while exempting the domestic and coin-op store. This represents a very serious competitive factor in our industry.

I repeat, we are not looking for a new exemption. Our industry in New Jersey, like the laundry and drycleaning industry in all the surrounding states, is now exempt from a sales - use tax on the services it provides.

The only reason I have read in the summary report of the Tax Policy Commission for repealing the exemption on laundry and drycleaning services was because a home washing machine is taxed when purchased. But do they realize that we now pay sales tax on all equipment we must purchase and that we pay sales tax on all laundry supplies, that we pay sales tax on repair services of equipment and many other items.

We ask that you preserve the exemption on our vital health and hygiene services.

Mr. Chairman and Gentlemen of the Committee, Thank you for giving me this opportunity to be heard.

4. WILLIAM E. GOULD
(Full Statement)

As a Program and Policy Director of the Non-Resident Taxpayers Association, an association of 17,000 members, I am pleased to appear before you today to express the concern of our membership regarding the proposed income tax plan.

Last year at this time the NRTA was invited to give testimony before the Sears Committee to present the problem of 200,000 New Jersey families taxed by seven out-of-state jurisdictions.

This practice of non-resident taxation denies us both representation and the benefits of our tax dollar.

We understand that a reciprocal clause was introduced in the proposed tax program common to inter-state taxing throughout the country, but nothing was suggested to solve this taxation by other municipalities. It is interesting to note that every income tax bill previously proposed in this state to date, has provided a tax credit for taxes paid to other states and their municipalities.

Despite numerous requests made on the Cahill Administration for action on this vital issue, the response was limited to joining a suit filed by NRTA against the Phila. Wage tax as friends of the court.

As an indication that our elected officials have little regard for the Non-resident taxpayer they enacted an Emergency Transportation Tax against Pennsylvanians employed in New Jersey. We understand this reciprocal tax program yields approximately \$16,000,000 annually.

NRTA members, as individuals, may be opposed to the Cahill tax program for many reasons. As association members, however, they are fundamentally opposed to it as unfair because it does not recognize the extremely serious problem of non-resident taxation. By ignoring this

problem as he has for the last two years, Gov. Cahill is being unfair not only to the non-resident taxpayer but to all the citizens of New Jersey.

The Governor would have us believe that what is needed is a new broad-base tax to spread the state's tax load equally, however, the so-called broad-base has already been badly eroded by the practice of non-resident taxation by neighboring states and municipalities.

As a corridor state, we believe that ^{approximately} somewhat less than one third of our total workforce is employed outside of New Jersey. This indicates that if an income tax is enacted, and non-resident workers are given credit for out-of-state income ~~and~~ taxes....then the remaining two-thirds of New Jersey's workers will actually carry the tax burden for all of the state's workers. In other words, because Governor Cahill will do nothing to eliminate non-resident taxation, New Jersey income tax payers could conceivably pay 50% more than they would if non-resident taxation were eliminated.

Once again, as we have done many times in the past, NRTA calls on the Governor to eliminate non-resident taxation. Twice his personal representatives have told us they could do nothing despite our submission of a long list of suggested remedies to eliminate or ameliorate this problem. Historically, residency has been the prime requisite for receipt of government services and privileges. NRTA contends that residency should also be the prime requisite for imposition of taxes to support their governmental activities.

The NRTA estimates that approximately \$78,000.000 is collected by non-resident taxing authorities from New Jersey residents annually. We believe it is the duty of this committee to consider the impact of this loss on the economy of our state.

The NRTA is of the belief that if proper steps were taken to eliminate non-resident taxation there would be little or no need to consider the imposition of a New Jersey Income Tax.

The present administration has expressed a need for an income tax; yet they fail to show concern over the amount of money lost to other states and municipalities, nor the ^{result} loss of millions of dollars to the New Jersey ~~business community~~, nor state revenues which would bring matching Federal Funds under the proposed Federal Revenue Sharing Program.

NRTA offers the following recommendations:

1. The NRTA recommends that the administration act favorably on Bill A-100 which recently passed the State Assembly. This Bill, if enacted, will provide financial assistance to the NRTA to help defeat non-resident taxation through the Courts. This Bill should be considered as the 51st Legislative Bill requiring immediate attention.
2. The NRTA recommends that Governor Cahill immediately initiates steps to convene a conference between representatives of neighboring non-resident taxing authorities for the purpose of ending non-resident taxation. This recommendation has been made on numerous previous occasions and has the support of many elected officials.

3. The NRTA recommends that the New Jersey legislature consider a state constitutional amendment declaring residency as a prime-requisite for levying state and local income or wage taxes.

4. In the event the administration chooses to ignore the financial drain on the state which results from non-resident taxation, and the unfair tax burdens borne by her citizens, then, as an interim measure only, NRTA recommends full tax credits be given to all New Jerseyans for taxes paid on wages or income earned in neighboring municipalities or states.

In conclusion you are reminded that Governor Cahill has indicated that his program represents tax reform. This implies that it will be equitable to all New Jersey citizens. However, the performance of the administration to date has failed to show any interest in equity, by continuing to allow a portion of its citizens to be taxed unjustly. Accordingly, since the *two hundred* non-resident taxpayer *has* been repeatedly ignored, *they* cannot offer his support to the so-called reform program until it is amended to reflect true reform and tax equity.

5. ALLEN SCHWARTZ
(Summary of Remarks)

1. Believed that taxes should be raised at the source of income only and that the tax reform program is moving in that direction. Opposed to the situation of some New Jersey residents paying an income tax in Pennsylvania and a real estate tax in New Jersey,

2. Believed that New Jersey commuters taxed out of state should get full credit for that tax, but would like to see out of state taxation of New Jersey residents ended and have the tax money go to New Jersey.

3. Expressed opinion that people are fed up with taxes.

4. Said that the tax forms to be used for the income tax should be as simple as possible.

6. MABEL SUTMAN
(Full Statement)

I am Isabel Putman, President of the League of Women Voters of Garden County, and member of the Executive Committee of the South Jersey Alliance Committee for Tax Reform.

I wish to testify in support of the Governor's proposals for tax reform because the present tax structure is so unfair and so destructive, and the proposed tax system would improve the fairness of distribution of the tax burden. Of paramount importance is the reduction of property taxes, currently dealing an especially cruel blow to the elderly, the poor, and those on fixed incomes. The proposed reduction in the property tax is substantial, averaging 40 per cent, and there would be limitations to prevent unlimited re-valuation. Further, the proposals would provide a more equal property tax base, permitting communities to provide services as determined by local need. And local control of schools, a point greatly misunderstood and which must be made clear, local control of schools would continue with local determination of which services - and how much - are desired.

We should all bear in mind that the proposals aim to change the very unfair burden of our present tax structure - not a plea for new revenue - but a new system of raising revenue, so we don't continue our current inhumane taxing practices. Inhumane? You don't believe it? If I tell you that in comparison with other states, New Jersey's tax burden is highest of all for families under \$5,000 income at the present time, it should strike you as being very unfair. But a real life situation might be more meaningful.

A retired woman called the League of Women Voters last week to ask for a flyer listing her State Legislators. She wanted to write in support of the Governor's tax reform proposals. Before

the conversation was finished, she asked for an extra flyer for her neighbor. "You know," she said, "all us retired people find it very difficult to pay our property taxes and have anything left over for the necessities of life, but my neighbor, who is very proud and doesn't want to go on welfare, sometimes goes without eating in order to pay her taxes. When you're old, and all you have is your little home, that means a lot to you."

If the AFB-CIO really believes that no one at or below the poverty level should be subjected to taxation, and if they really understand the Governor's proposals, they should be all in favor of them. Consider a Garden City man and wife with two children and a \$6,000 income. This family would pay no income tax under the proposals, and at the same time, his property tax would be cut about in half (from 6.42 to 3.25).

Suppose the people we've been talking about are renters rather than property owners. The senior citizen with low income would get a 25 per cent rebate on rent, and the family man would receive a rebate on part of his rent.

Another Union concern on the proposals is that "landlords should not profit from tax reduction at any time now or in the future." Union leaders should study the proposals more thoroughly and understand that the plan is to tax the extra money landlords would get from property tax reduction at 75 per cent as excess gains for a three year evaluation period, and return the money to tenants as an income tax credit or rebate. Note the words evaluation period. If rents should go down, the Legislature could reduce the 75 per cent, but if the situation warranted it, they could also maintain it or even increase it, if necessary.

The same situation holds true for the three year evaluation period of excess gains tax on businesses. These are unbalancing periods, and it must be made clear that, as the Unions have asked, "there will be ^{no} windfall for business, now or anytime in the future."

To sum up, New Jersey's tax burden presently falls heaviest on those least able to pay, due primarily to heavy reliance on the property tax. If we transfer the costs of schools, welfare and the judiciary to the state, we can take the load off the local property taxpayers' backs. The same total amount of money still has to be raised, of course, but it is possible to shift the burden so that those best able to pay, do pay their fair share.

And the fairest tax, because it is based on ability to pay, is an income tax. It also has built in elasticity, expanding or shrinking with the economy, avoiding the annual scramble for new or increased nuisance taxes or stop-gap measures to balance the State Budget.

In the 502 municipalities where property taxes will decrease under the proposals, many middle income people will pay about the same total taxes including income tax. Low and lower middle income people will pay less total taxes than before, and higher income people will pay more. Some local tax rates of interest: Cherry Hill would go from 4.25 to 2.07; Haddonfield from 4.05 to 2.00; as stated earlier, Camden City from 6.42 to 3.26. It is interesting to note that in Peteboro, where there is mostly industry and no school children, property taxes would increase because under this plan they would pay the \$1.00 statewide property tax and share more equally in the costs of schools.

I urge the Legislature to act promptly on the Governor's proposals for urgently needed tax reform.

7. HECTOR RODRIQUEZ
(Summary of Remarks)

1. Eighty percent of the New Jersey residents he represents are tenants.
2. Non-profit organizations, such as the Elks should pay their "fair share".
3. Property tax should be repealed.
4. The beer tax is a tax on one of the last "luxuries" of his people.
5. Expressed pleasure that the tax proposed will be on net profits and not gross profits.

Reply to question posed by committee:

Two thousand people attended last year's organizational meeting of his association, and there are 300,000 resident of Puerto Rican heritage in the State.

8. LEO CINAGLIA
(Summary of Remarks)

Mr. Cinaglia read a series of varied technical questions on the proposed tax program into the record, the most important appearing to stress his concern for public awareness of the particular recipients of new monies. The committee indicated it could not answer his questions at this time.

9. DR. HARRY A. PINSKY
(Summary of Remarks)

1. The Governor's Tax Reform package is one that is long due. "The time of truth has arrived."

2. He sees Senator Miller's program only as a stopgap. He felt it was like putting a band-aid on a malignant tumor.

3. A state with an income tax will be in a better position for Federal revenue sharing.

4. Applauded the Governor's exception to taxing clothing.

Reply to questions posed by committee:

a. Acknowledged not having read the proposed legislation.

b. Said he has endorsed the income tax, and sees it as a first step.

c. In response to a question as to whether he felt the public was being adequately informed on the issue, Dr. Pinsky replied that he himself is very much aware of it, because he has made himself aware of it, but cannot speak for others.

d. Regardless of the short time that the Legislature has to consider the package, he feels that the important thing is that meaningful legislation be adopted.

10. FRANK MAC KANNAN
(Full Statement)
(See appendix for additional documents submitted by Mr. MacKannan)

I would like to thank Governor Cahill for holding these public hearings on "Property Tax Reform".

On October 21, 1970 and March 16, 1971, I appeared as a public witness before Governor Cahill's Tax Policy Commission 'Task Force C'. At that time one of my recommendations was that public hearings should be held on any additional taxation for N. J. taxpayers. My other testimony and recommendations are a matter of record with 'Task Force C'.

When I appeared before the "Tax Policy Commission", I had the moral support of over 100,000 New Jersey taxpayers. I still have this support.

At that time I recommended drastic reform of the N. J. property tax structure. The major point of my testimony was against the N. J. General Fund, the so-called "Pork Barrel". Any property tax legislation enacted should be "dedicated by "Constitutional Amendment" specifically to reduce property taxes.

The proposed tax reform will never be effective if the money it provides becomes part of the General Treasury. I repeat; it must be "dedicated by Constitutional Amendment", specifically to reduce property taxes.

During 1970-71, I voluntarily distributed thousands of yellow flyers recommending property tax reform. Several thousand of these were signed by N. J. taxpayers and mailed to our N. J. Assemblymen, Kenneth Black, Joseph Enos, James Turner and Thomas Shusted. Also, Senator John White and several legislators in the North Jersey area.

Recently, the DuPont Pensioners Assn., representing 1,000 DuPont pensioners, and the Gloucester County Senior Citizens Organization, representing 3,500 seniors from Gloucester County, mailed letters to all N. J. Legislators and Governor Cahill, recommending this "Constitutional Amendment" dedicated specifically to reduce property taxes on any broad base tax enacted.

We also strongly recommend a \$7,100 per year exemption for senior citizens as proposed by Task Force C. If any broad base tax is enacted, we hope these suggestions will be adopted.

Replies to questions from the committee:

1. Stated that the \$1 constitutional limit on property taxes did not go far enough.

2. In reply to a question said he was not aware of the constitutional prohibition on dedicated funds and would support a referendum to change that prohibition.

11. MRS. JULIA PARHAM
(Summary of Remarks)

1. Asked questions relating to income from social security and pensions and also relating to the credit for rent which were answered by counsel to the Governor.

12. MRS. THERESE DONLAN
(Summary of Remarks)

1. Asked for better advance explanation on the procedures for testifying before such a committee of the Legislature.

2. She favors an income tax, but feels that the property tax should be decreased in such a way that everyone gets "the same break". Camden, for example, has not been re-assessed, she asserted, since 1960.

3. Middle income people have no place to go. She felt the property owner under the proposed plan would get minimum relief.

4. She would like to see a much larger income tax along with an even greater reduction in property taxes, which should be a relatively stable tax.

Replies to questions posed by committee:

a. Asked if she wanted the income tax to pay for the total cost of financing education, a committee aide indicated that the tax would have to be roughly 3-1/2 times that proposed.

b. When asked if she felt the sponsors did an adequate job of bringing the proposal before the public, Mrs. Donlan suggested that each point in the program be highlighted on a regular basis in the media. One committeeman then referred her to the Governor's columns in major newspapers in the State which have attempted to accomplish this objective.

13. Mr. William McDonald
(Summary of Remarks)

1. Suggested that the tax proposals be put before the public in a referendum.

2. Said that the budget must be reduced.

3. Indicated that the middle class taxpayer had reached the breaking point with taxes.

4. Proposed that a tax investigation committee be appointed from among the people to review the tax situation in the State.

5. Said that the number of anti-tax groups in New Jersey is evidence of the feeling of the people about taxes.

6. Believed that assessments will go up after the program is adopted, thereby increasing local property taxes.

7. Said that the State should help the Non-Resident Taxpayers Association in its fight against out-of-state taxes.

8. Said he would support the income tax if property taxes were really reduced.

14. MRS. A. R. LUARTES
(Summary of Remarks)

1. Any rise in taxes will be confiscatory, but the income tax is the fairest method of raising new monies.

2. Claimed there were 371 people now on the payroll earning over \$25,000.00, compared to many fewer in the Hughes administration.

3. Asserted that Governor Cahill has not kept one of his promises. She felt it was "political suicide" to back any legislation he has sponsored.

4. Senior citizens are "disillusioned with our government".

Replies to questions posed by committee:

a. The income tax is most equitable for senior citizens.

b. She hopes the Legislature can get together to draw up something better than the plan proposed, adding that she felt the Governor was in too much of a hurry.

15. LOUIS D. JOSEPH
(Summary of Remarks)

1. Camden officials have been asking for more money (from the State), but things are getting only worse.

2. A state income tax is "double jeopardy" overlapping taxes must stop.

3. (State) Government gets bigger and does less.

4. State takeover of schools is "behind the whole thing

and is 100% wrong". She feels it will "just create" another bureaucracy.

Intervening comments by committeemen:

One committeeman commented that school district control will remain in the hands of the local school boards. Another referred to the Botter decision.

5. Expressed his opinion that certain functions should remain in the hands of local authorities, such as education.

6. Sees these tax proposals only as a means of generating more money, and not necessarily as reform.

7. Is opposed to increasing the corporate net income tax. Indicated that the tax on "the other side of the river" at present is greater, and so we may not be at an advantage if the proposed plan is enacted.

16. MR. ROBERT PATTERSON
(Summary of Remarks)

1. Said that the average person doesn't understand the tax proposals and asked how they would affect his tax rates.

17. MRS. ROBERT PATTERSON

1. Indicated that the state needs a tax revision, but the public needs the reforms explained, including the manner of collection and disbursement of the monies.

2. Said that there was a communications gap in which the people who propose taxes do not understand the limits of the finances of those who will pay the taxes and do not explain where the money

is to go.

3. Suggested the tax proposals be put to a vote of the people.

4. Said that people living alone or without children aren't necessarily more affluent and shouldn't have to pay more in taxes.

5. Could not offer an opinion on the proposals because she was not fully aware of all their ramifications.

APPENDIX

The following material was submitted by Frank R. MacKannan.

BIOGRAPHICAL DATA

Organizer, Past President and Trustee of the DuPont Pensioners Association of Pennsville, N. J., a state chartered organization of 900 members.

President of the Mantua Township Taxpayers Association, of Mantua, N. J., a state chartered organization of over 300 members.

A member of the Property Tax Rebellion Association of New Jersey, of West Berlin, N. J.; we have applied for a state charter, with over 1,000 members.

A member of the Franklin Township Tax Savers Association, Franklinville, N. J. We have applied for a state charter with over 300 members.

I am also active in Senior Citizens groups in South Jersey, and am representing over 7,500 seniors in Gloucester-Cumberland and Salem counties.

A member of the United Seniors of New Jersey legislative team, representing over 125,000 senior citizens.

Also the personal support of Eugene J. McCaffery, Director, Gloucester County Freeholders (Gloucester County has over 172,000 residents).

PROPERTY TAX REFERENDUM

Property Taxes in New Jersey are unbearable. They have almost reached the point of *confiscation*, are we as *taxpayers* going to *stop* this trend? *We can*, through proper tax legislation. Our elected representatives are supposed to represent us, *the voters* . . . let us tell them like it is!

MAVERICK MACK'S PROPOSAL

1. **No Additional Taxes for the New Jersey General Fund.** (Under present State Law, taxes in New Jersey are dedicated for one-year only, then become part of the General Fund — "*The Pork Barrel*"). All future taxation should be **dedicated by Constitutional Amendment** for specific purposes only . . . and furthermore all new taxes or indebtedness should be decided by referendum only.
2. **REPEAL 5% SALES TAX.**
3. **A flat Income Tax dedicated by Constitutional Amendment** to reduce Property Taxes in New Jersey is a *must*.

This is *not a gamble*, this is a *sure winner*.

ALL TAXPAYERS WIN

4. Figured on a *flat* basis, 2% of your gross income would *reduce* your Property Tax by 2/3. (2% of \$10,000—\$200.00. What is *your Tax Bill*?) Remember, this is a *flat tax*. If your income is *large* you pay more. If lower you pay less. *School Taxes are the big item on your Tax Bill*.

New Jersey State pays 28.5% towards support of local schools. *National Average is 40.7%.*

Delaware	70.6%
New Mexico	62.7%

MY FORMULA

if New Jersey paid 50%, Property Taxes would be reduced 2/3. To pay 50%, New Jersey would need 600 million in additional money. Total income in New Jersey is over 30 billion. 2% of this is a *cinch* to produce the 600 million new money needed to *reduce Property Taxes by 2/3*.

Remember . . . A flat Income Tax dedicated by Constitutional Amendment forever is the only answer. An income of \$5,000 (excluding Social Security) will be used as the starting figure for the proposed *flat base tax*. (Less than \$5,000 non-taxable.) **Tell your elected officials this is what we want.**

If you favor this legislation *sign* this sheet and *mail* to your elected Assemblyman in Trenton, New Jersey 08625.

Name

Address

.....



FRANK R. MacKANNAN

(A Concerned Taxpayer)

RESOLUTION PETITIONING THE GOVERNOR AND
LEGISLATURE OF THE STATE OF NEW JERSEY
TO ENACT REAL PROPERTY TAX REFORMS TO
BE EFFECTIVE JANUARY 1, 1971

WHEREAS, real property taxes in the County of Gloucester have been drastically increased in recent years due to the growing demands on the public school systems and on local government itself; and

WHEREAS, these increases have seriously affected all property owners within the County of Gloucester and particularly those persons living on fixed incomes; and

WHEREAS, many residents of Gloucester County are in serious jeopardy of losing their homes for which they have worked to obtain over a period of many years because of the oppressive tax burden which is being cast upon them, and it is apparent that the only possibility of relief must come from the State of New Jersey through various tax reforms which have been studied for many years in the past and which are currently being studied by a select committee; and

WHEREAS, at the General Election on November 3, 1970, the Board of Chosen Freeholders of the County of Gloucester caused to be placed on the ballot the following public question:

"SHALL THE COUNTY OF GLOUCESTER PETITION
THE GOVERNOR AND LEGISLATURE OF THE
STATE OF NEW JERSEY TO ENACT REAL PRO-
PERTY TAX REFORMS TO BE EFFECTIVE IN
1971?"; and

WHEREAS, the electorate of the County of Gloucester cast 30,845 votes in favor of said question and 13,558 votes against;

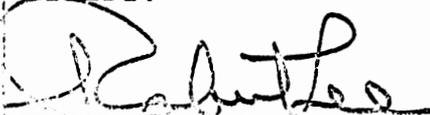
- 26 - NOW, THEREFORE, BE IT RESOLVED by the Board of Chosen Freeholders of the County of Gloucester, State of New Jersey, that the Board of Chosen Freeholders of the County of Gloucester, hereby petitions the Governor and Legislature of the State of New Jersey to immediately enact tax reform legislation to relieve real property from the oppressive tax burden now being placed upon it, and to cause such legislation to be effective as of January 1, 1971; and

BE IT FURTHER RESOLVED that a certified copy of this resolution be forwarded to the Hon. William T. Cahill, Governor of the State of New Jersey, the Hon. Raymond Bateman, President of the New Jersey Senate, the Hon. William K. Dickey, Speaker of the New Jersey Assembly, Senator John L. White, Senator Hugh A. Kelly, Assemblyman James M. Turner, Assemblyman Kenneth A. Black, Jr., Assemblyman Joseph H. Enos and Assemblyman Thomas J. Shusted.

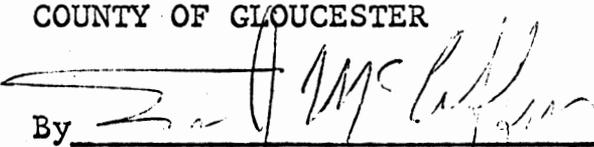
This resolution shall take effect immediately.

Adopted at a regular meeting of the Board of Chosen Freeholders of the County of Gloucester, State of New Jersey, held on Friday, November 20, 1970.

ATTEST:


Robert Lee, Clerk

COUNTY OF GLOUCESTER

By 

Eugene J. McCaffrey
Director, Board of
Chosen Freeholders

