



UNITARIAN UNIVERSALIST LEGISLATIVE MINISTRY OF NEW JERSEY

Fight Tax Giveaways to Corporations

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The issue before us is that valuable “social safety net” programs in welfare, health, education and affordable housing may suffer funding cuts as new line items aimed at reducing taxes to corporations are promoted. Based on the history of the Christie administration’s approach to fiscal matters, if certain proposed bills are enacted into law the consequences for state funding on issues that matter to UULMNJ can be serious. In the short term Governor Christie may actually be our ally and veto such bills, but we cannot rely on that happening. The 2 bills in particular that concern us are:

- S1885/A3667 - corporation business tax for interest
- S1949/A2767 - partial energy/utility sales tax exemption

Each of these has passed the NJ Senate and had a fiscal note attached. If you want to see them, please go to <http://www.njleg.state.nj.us/bills/billsbynumber.asp>. Each sounds plausible because there are potentially good causes behind them. However, each of these would in fact cause taxes to go down for the beneficiaries. That would hurt overall state revenues and state spending cuts would be inevitable in today’s environment. Each one is judged by us to be job-neutral, meaning not create any jobs. Fiscal impact on the NJ Treasury is that S1949 will cost \$34.1million and S1885 is indeterminate per the fiscal notes by Office Legislative Service. The status of these bills is:

- A3667 referred to Assembly Commerce and Economic Development committee 1/6/11
- A2767 referred to Assembly Telecommunications/Utilities committee 11/10/11

Your focus needs to be on your 2 Assemblypersons since these bills have already passed the Senate and could be approved by Assembly committees and get to a final vote lightning fast (we have seen that many times.) EJTF is asking you to do:

1. Contact your Assemblyperson with this message: Vote NO on S1885/A3667 and S1949/2767 by calling their Trenton office, sending via NJ Legislative website (<http://www.njleg.state.nj.us/members/legsearch.asp>) or in-person meeting (difficult since they will be back in session this week). Time is of the essence since Assembly legislative sessions, committee meetings are scheduled in early December.
2. Elaborate on the simple message above that tax incentives for corporations have unintended consequences on other programs, particularly the “social safety net.”
3. Provide a report on outcome of any feedback from your legislator to the contacts for the subcommittee of EJTF:

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