

ASSEMBLY BILL NO. 3484

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3484 without my approval. This bill would impose a one-year, fifteen percent surtax on Corporation Business Tax (CBT) liabilities. Under the bill, the proposed new surtax would be calculated as fifteen percent of annual CBT liabilities and no credits would be allowed against surtax liability except for credits for installment payments, estimated payments made with a request for an extension of time for filing a return, and overpayments from prior privilege periods. The proposed surtax would affect tax years ending on or after July 1, 2014 but before July 1, 2015.

As noted throughout the vetoes I am signing today, I strongly believe that punitively raising taxes on our already overtaxed residents and business owners is not the answer to the State's short- and long-term fiscal challenges. This bill would accomplish nothing more than to repeat the failed, irresponsible, and unsustainable policies that were commonplace in Trenton for years before my administration. Simply stated, I do not accept the premise that we can tax our way to prosperity in this manner. Nor do I accept the notion that a one-year CBT surtax is an appropriate tool to resolve a fundamental structural budget imbalance or to address legacy pension and health benefit obligations that reflect decades of underfunding, the irresponsible adoption of unfunded benefit enhancements, and investment underperformance during the first decade of the 2000s.

Rather than enacting responsible policies that will encourage and allow New Jersey's economy and revenues to grow, the Legislature appears to be intent on inhibiting growth with

crushing taxes. Increasing taxes on the businesses and highly productive taxpayers we need here in New Jersey to create jobs and grow our economy will only serve to drive them out in search of states with lower tax burdens. Instead, we should be lowering taxes for all New Jerseyans to more appropriately and responsibly stimulate New Jersey's economy and improve our already uncompetitive tax climate.

As Governor, I take very seriously my constitutional and statutory responsibilities concerning the State's finances, including: making my annual budget recommendations in February as required by N.J.S.A. 42:27B-20; exercising my line-item, conditional, and absolute veto powers over taxing and spending decisions as conferred in Article V, Section 1, Paragraphs 14 and 15 of the New Jersey Constitution; overseeing, through the State Treasurer and the Office of Management and Budget, the fiscal affairs of the State throughout each fiscal year to maintain a balanced budget and ensure expenditures do not exceed revenues; and certifying that total revenues, both on hand and anticipated, will be available to meet appropriations as required by Article VIII, Section 2, Paragraph 2 of the State Constitution. Much deliberation and careful study precede the presentation of my budget recommendations to the Legislature each February.

All of my actions in exercising the fiscal powers and responsibilities conferred upon me by the Constitution and laws of the State are made because I believe they are in the best interests of the State of New Jersey. I exercise these powers solely in furtherance of the significant responsibilities entrusted to me as Governor of the State of New Jersey, cognizant and respectful of the real effects of my decisions on each and every resident of the State. I likewise respect the

broad authority and responsibility of the Legislature to introduce and pass an appropriations law each year reflecting its spending priorities and its absolute ability under the State Constitution to override any or all of the vetoes I have signed today.

It is evident that there exists a fundamental disagreement between the Legislature's strongly held opinion that constantly raising taxes is best for the State and my conviction that incentivizing already overtaxed individuals and businesses to flee our State is foolish and counterproductive. The framers of the New Jersey Constitution wisely established a clear and orderly political process for resolving these sorts of policy disputes concerning the State's finances.

Accordingly, I herewith return Assembly Bill No. 3484 without my approval.

[seal]

Respectfully,
/s/ Chris Christie
Governor

Attest:

/s/ Christopher S. Porrino
Chief Counsel to the Governor