

ASSEMBLY BILL NO. 4603

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 4603 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, 2015 but before July 1, 2016.

This action today is even more extraordinary and reckless when it happens in the same year that Mercedes-Benz USA, a forty year business in New Jersey, announced it is leaving our state because of excessive taxes. This legislature is truly deaf and blind to what their tax policies have wrought.

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 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 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.

Accordingly, I herewith return Assembly Bill No. 4603 without my approval.

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Respectfully,
/s/ Chris Christie
Governor

Attest:

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