



Lawmakers unveil plans for road funding, including tax hike

June 10, 2016 5:49 PM

By The Associated Press By MICHAEL CATALINI (Associated Press)

New Jersey lawmakers unveiled competing plans on Friday to pay for road and bridge work, including a 23-cent-per gallon fuel tax hike that would be coupled with phasing out estate taxes and cutting retirement income taxes.

A 10-year, \$2 billion Senate plan put forward by Democrat Paul Sarlo and Republican Steve Oroho is the latest and most detailed proposal to address New Jersey's \$1.6 billion transportation trust fund, which runs out of revenue and authority for new borrowing on July 1 unless the Democrat-led Legislature and Republican Gov. Chris Christie can reach a deal.

Democratic Assembly Speaker Vincent Prieto unveiled a competing plan with some similar proposals, but fewer details. The Assembly plan calls for a change in jet fuel taxes, but doesn't say by how much, something the Senate proposal doesn't include.

Christie told reporters on the boardwalk in Asbury Park that he hasn't seen the proposal and the Democrats have to get on the same page.

"I'm tired of playing marriage counselor," Christie said. "They need to come to an agreement on something."

The Senate plan incorporates a hike in fuel taxes as well as other tax cuts, a nod to Christie's long-time calls for "tax fairness" in any proposals that would consider raising the fuel tax.

Under the Senate plan the state's fuel taxes would go from the second-lowest in the country at 14.5 cents per gallon to 37.5 cents. Lawmakers tout the fact that it's below neighboring Pennsylvania, New York and Connecticut, but it would put New Jersey in the top tier in terms of fuel taxes.

The plan would provide \$2 billion per year for transportation funding, paid for through the wholesale fuel tax hike. It also phases out the estate tax, with a full repeal by 2019, and increases an exemption for retirement income for those earning \$100,000 or less from \$20,000 per couple to \$40,000, eventually ramping up to \$100,000 by 2020.

The proposals got mixed reaction. The left-leaning group NJ Working Families said that phasing out the estate tax is not in the best interest of residents. While the New Jersey Gasoline, C-Store, and Automotive Association released a supportive statement.

"We are pleased to see that these two similar plans will adapt the existing taxes to modern times and not institute any complicated or unfair new tax," said executive director Sal Risalvato.

The proposal also includes a charitable tax deduction, which currently does not exist in New Jersey, and would increase the earned income tax credit, which benefits low-income earners, from 30 percent to 40 percent. Lawmakers say the tax cuts will be offset by reallocating revenues from sales tax collections.

The Assembly plan is also a 10-year, \$2 billion framework and calls for raising the earned income tax credit, phasing out the estate tax and raising retirement income tax exemptions. It also calls for "modernizing" the state's jet fuel taxes, but isn't specific.

Prieto said he looks forward to working with Republican Minority Leader Jon Bramnick to get a bill on the governor's desk by the end of the month.

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