



New Jersey Gasoline, C-Store, Automotive Association (NJGCA)

(Formerly New Jersey Gasoline Retailers Association)

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FOR IMMEDIATE RELEASE

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**Small Businesses That Serve NJ Motorists Appreciate Governor's Effort
to Reduce Pain from Expected Unemployment Tax Hike**

*Christie Recognizes Importance of Reducing Burden on Employers
In Order To Enable Them to Preserve and Create More Jobs*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience, Automotive Association (NJGCA), made the following remarks concerning Governor Christie's effort to minimize the burden on employers that will be subject to the mandatory mechanism that is set to trigger increase in taxes paid to the Unemployment Trust Fund:

Risalvato said, "Small business owners that operate gasoline service stations, auto repair shops, and convenience stores appreciate the effort that Governor Christie has made to reduce the mandatory tax increase that is set to trigger in order to continue paying unemployment claims".

Angry about the current situation, Risalvato continued, "Unemployment Insurance TRUST Fund? Hmmm.....Where is the TRUST? Why is the word TRUST anywhere near this fund? There hasn't been any TRUST associated with this fund for almost a decade! Thankfully Governor Christie's decision to make some adjustments will actually get this fund back to where it can be called a TRUST fund".

"Any tax increase that a small business owner must face is obviously distasteful and burdensome. However, without Governor Christie's intervention to reduce the amount paid by employers, my members would have been forced to pay an increase that was beyond unpalatable, would have put jobs at risk, and would have been obscene", Risalvato said.

Gasoline service stations are the quintessential small business of America. NJGCA represents over 1,500 small business owners. NJGCA members oppose any increase in taxes because it becomes more difficult to retain employees, hire new employees, and create economic growth. Economic growth ultimately generates more tax revenues than higher tax rates.

As a young owner of a gasoline service station in the early 1980s, Sal Risalvato was burdened by extremely high unemployment taxes that had to be paid quarterly. Risalvato then joined forces with other small business owners and began an effort that led to reforming NJ's Unemployment System and resulted in much lower Unemployment taxes for employers by 1990.

"In 1984 New Jersey owed the Federal Government \$750 million dollars that had been borrowed to prop up a broken unemployment system. The reforms that we made back then resulted in the debt being paid back 3 years sooner than originally promised and created a surplus balance over \$3 Billion. The unemployment taxes I paid in 1999 at my gas station were half of what I paid in 1980, and that was for a payroll that was triple my 1980 payroll", recalls Risalvato

The reforms that were made in 1984 worked, because The Unemployment [TRUST?] Fund held \$3 Billion in reserve in 2002. The fund was raided so many times since then, that NJ had to recently borrow \$1.2 Billion from the Federal Government in order to continue paying claims.

"NO! My members are not going to be happy about paying an additional \$130 a year for each of their employees; but hey do the math, \$130 is a hell of a lot better than \$800. I am thankful Governor Christie showed so much concern for the small business community", Risalvato said.

Risalvato ended by saying, "If what I am told is correct then the adjustments that Governor Christie just made will actually get The Unemployment [TRUST?] Fund fixed sooner. That sounds good to me! Maybe we can really use the word TRUST again when we refer to the Unemployment Fund".

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