

SENATE BILL NO. 2016

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 2016, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

Again this year, for a fifth time in six years, the legislative majority has done what it knows how to do best - recklessly raise taxes on New Jersey's already overtaxed residents and business owners to pay for unsustainable spending. This punitive tax policy is the cornerstone of the budget plan presented to me, which relies on over a billion dollars of proposed new taxes. Despite the recently announced departure of Mercedes-Benz U.S. headquarters from New Jersey because of our high taxes, this Legislature refuses to relent. Because the foundation of the Legislature's proposal is unsound, I must once again object.

Rather than enacting responsible policies that will lay the foundation for New Jersey's continued economic recovery, the Legislature once again appears intent on inhibiting economic growth with crushing taxes. As I have consistently made clear, I strongly believe that the answer to our State's short- and long-term fiscal challenges is not to raise taxes on our already overtaxed residents and small business owners. Imposing punitive taxes on our businesses and highly productive taxpayers will chase them out of the state, rather than encourage them to stay in New Jersey to create jobs and grow our economy. Instead, we should be appropriately and responsibly lowering taxes for all New Jerseyans to stimulate New Jersey's economy,

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reduce disincentives to invest and create jobs in New Jersey, and improve our already uncompetitive tax climate.

Regrettably, the Legislature has chosen the path of attempting to derail our progress toward making New Jersey more competitive, rather than making hard choices in a responsible manner. I will not allow the Legislature to return to its habit of failed and unsustainable fiscal policies, which were commonplace in Trenton before my administration. And I will certainly not join them in pretending that a long history of structural imbalances, an underfunded pension system and unsustainable health benefit obligations, can be resolved via a temporary four-year income tax hike or a one-year corporate business tax surtax. Politically expedient one-shots are no substitute for the continued real and sustainable long-term reform necessary to create an affordable retirement and health benefits system.

In contrast, the budget proposal I put forth in February recognizes the unfinished work of reform before us while prudently reestablishing a sustainable schedule of annual contributions towards the State's pension obligations. The Fiscal Year 2016 contribution I put forth is at once the largest pension contribution in State history and a strong foundation for moving forward on a fiscally responsible path. I implore the Legislature to work towards further systematic reforms like those outlined in the "Roadmap for Reform" report prepared by the independent nonpartisan New Jersey Pension and Health Benefits Study Commission that I appointed last year.

The general appropriations law for Fiscal Year 2016, as modified, that I sign today once again delivers a truly and honestly balanced State budget that funds our State's most

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important priorities without raising taxes on the citizens of New Jersey.

Accordingly, I am appending to Senate Bill No. 2016, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Christopher S. Porrino

Chief Counsel to the Governor