VIA ELECTRONIC MAIL

February 15, 2024

Hon. Philip D. Murphy Governor 225 W. State Street Trenton, NJ 08625

Senate President Nick Scutari 125 W. State Street Trenton, NJ 08625

Assembly Speaker Craig J. Coughlin 125 W. State Street Trenton, NJ 08625

Dear Governor Murphy, Senate President Scutari, and Speaker Coughlin:

We, the undersigned faith, community, labor, and advocacy organizations, urge you to reinstate the Corporate Business Tax surcharge (CBT) to ensure working families in New Jersey can access the vital programming and services we rely on to survive. Middle, working-class, and low-wage New Jersey families have been facing skyrocketing inflation for years, and struggle every day to pay rent and utilities, put food on the table, and afford childcare and now face a 15% fare hike on NJTransit, with Turnpike toll hikes and gas tax increases likely to follow.

The best way to ensure our state has the revenue it needs is *not* through increasing regressive taxes on the already overburdened poor and working class. Wealthy corporations should continue to pay the corporate surcharge so we can fund programs and services like NJ Transit. The choice to give wealthy corporations a tax break while raising the cost of commuting for working families is a policy choice and a policy failure. It is a mistake to shift the burden onto low and middle-income families who are still struggling to afford the basics in order to cut taxes on wealthy corporations. We refuse to fight each other for scraps, while wealthy corporations like Amazon report vast profits as recently as the last quarter of 2023.

We are also deeply concerned at the prospect of increasing the sales tax in New Jersey. This should be a non-starter without asking wealthy corporations and individuals to pay what they owe. If the state is going to tax low wage workers through fare increases and sales tax increases, we cannot let big multinational corporations and wealthy individuals get a tax cut at the same time. According to a recent report published by the Institute on Taxation and Economic Policy, the poor contribute 5.7 percent of their family income to sales tax in comparison to the top 1% who pay only 0.9% of their income. But wealthy corporations can afford the corporate surcharge; it would generate more than \$1 billion in revenue, and businesses have already been paying it for years -- their profits increased dramatically even when they paid the corporate surcharge.

When wealthy corporations like Amazon are allowed to hoard their wealth instead of paying what they owe in taxes, New Jersey has fewer public funds to invest directly into our communities. Our <u>transit system remains unreliable</u>, <u>schools continue to crumble</u>, <u>thousands of New Jersey residents remain unhoused</u>, and our communities <u>combat poisoned air</u> and water.

Since Spring 2023, we have had thousands of conversations with train and bus riders, <u>taken</u> <u>collective action in district offices and outside the Statehouse</u>, and met with legislators to extend the corporate surcharge to hold corporations responsible to the communities and workers that make their operations possible.

We ask that you reinstate the corporate surcharge to ensure resources are put directly back into our communities so all of our families can thrive.

Sincerely,

Action Together New Jersey American Civil Liberties Union of New Jersev American Friends Service Committee – New Jersey Immigrant Rights Program Black Lives Matter Paterson Blue Wave New Jersey Clean Water Action Communications Workers of America, District 1 Empower New Jersey Fair Share Housing Center Faith in New Jersey First Friends of New York and New Jersey Garden State Equality Hudson County Complete Streets Indivisible Cranbury Jolt New Jersey Latino Action Network League of Women Voters of New Jersey Lutherans Engaging in Advocacy Ministry NJ Make the Road New Jersey National Action Network South Jersey Chapter Newark Communities for Accountable Policing New Jersey Alliance for Immigrant Justice New Jersey Citizen Action New Jersey Food Democracy Collaborative New Jersey Harm Reduction Coalition New Jersey Policy Perspective New Jersey Poor People's Campaign New Jersey Working Families Party New Jersey 11th for Change New Jersey Institute for Social Justice New Labor

Our Children Our Schools Our Revolution Paterson Education Fund Planned Parenthood Action Fund of NJ Rutgers AAUP-AFT Save Our Schools New Jersey Tri-State Transportation Campaign Unitarian Universalist FaithAction New Jersey Urban Agriculture Cooperative Volunteer Lawyers for Justice Waterspirit Wind of the Spirit Immigrant Resource Center

CC: New Jersey Senate Budget and Appropriations Committee The Honorable Paul A. Sarlo, Deputy Majority Leader; Chair The Honorable Linda R. Greenstein, Assistant Majority Leader; Vice-Chair The Honorable M. Teresa Ruiz, Senate Majority Leader The Honorable Carmen F. Amato The Honorable Renee C. Burgess The Honorable John J. Burzichelli The Honorable Gordon M. Johnson, Assistant Majority Leader The Honorable Nilsa Cruz-Perez The Honorable Patrick J. Diegnan The Honorable Andrew Zwicker, PhD The Honorable Declan J. O'Scanlon, Republican Budget Officer The Honorable Douglas J. Steinhardt The Honorable Michael L. Testa, Republican Whip

New Jersey General Assembly Budget Committee The Honorable Eliana Pintor Marin, Budget Chair The Honorable Benjie E. Wimberly, Speaker Pro Tempore; Vice-Chair The Honorable Carol A. Murphy, Majority Whip The Honorable Gary S. Schaer, Policy Chair The Honorable Verlina Reynolds-Jackson, Constituent Outreach Chair The Honorable Herb Conaway, Jr., M.D., Deputy Speaker The Honorable Nancy F. Munoz, Minority Budget Officer The Honorable Aura K. Dunn, Assistant Minority Whip The Honorable Brian E. Rumpf, Minority Parliamentarian The Honorable Gerry Scharfenberger, PhD, Minority Policy Chair The Honorable Al Barlas The Honorable Roy Freiman, Deputy Majority Leader The Honorable Ellen J. Park, Parliamentarian The Honorable Gabriel Rodriguez The Honorable Michael Venezia