

Action Alert re: Dedication of Sales Tax

**\*\*ACTION ALERT\*\***  
**Bill ACR20/SCR137**

Urge your state senator to vote "NO" on constitutionally dedicating the entire amount of last year's sales tax increase to property tax rebates.

Background: Governor Corzine proposed raising the sales tax last year to address New Jersey's ongoing structural deficit (the fact that our state revenues do not cover our costs.) The legislature approved the increase but passed a ballot question dedicating half of the increase to property tax rebates. The League opposed this ½ cent dedication on the ground that it was bad fiscal policy and was in no way comprehensive property tax reform. The dedication was approved by voters last November.

Yesterday, the state assembly passed ACR20/SCR137 which would amend the State Constitution to dedicate the entire amount of last year's 1% sales tax increase to property tax relief. If this bill passes the state Senate and is approved by the voters in November, not once cent of last year's sales tax increase will be available to the state's general fund and money to balance the state budget will have to be found elsewhere. This is bad fiscal policy. While it may score political points in an election year, if approved, this bill digs New Jersey deeper into a fiscal hole. And, it does nothing to address the structural reform needed to truly address property tax reform in New Jersey.

LWVNJ sent letters last week to all assembly members and state senators urging that they vote "NO" on this bill. Please write or call your Senator today and urge that they Vote NO.