
Senate Republicans Propose FY 2024 Budget Plan with \$6 Billion of New Tax Relief, More Debt Reduction, Spending Moderation & Greater Transparency

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The Republican members of the Senate Budget & Appropriations Committee proposed more than \$6 billion of new tax relief, \$1 billion for debt reduction, and greater transparency and fairness in State spending in a detailed plan ([click here for PDF](#)) to amend Governor Murphy's proposed FY 2024 State Budget. The proposal would grow the budget surplus to nearly \$6.5 billion.



Senate Republicans have proposed [a comprehensive budget plan](#) with \$6 billion of new tax relief, including \$4.3 billion of "Give It Back" property tax relief for towns and counties. ([www.GiveltBack.us](#))

"With a sizable budget surplus and billions more set aside in debt and pandemic relief funds, the State has unprecedented resources that the Murphy administration has failed to use effectively to meet New Jersey's needs," said Senator Declan O'Scanlon (R-13), the Republican Budget Officer. "We have proposed a comprehensive and responsible budget plan that would increase property tax relief by \$4.3 billion, prevent toll hikes and payroll tax increases, repay more State debt, impose meaningful spending restraints, and restore transparency and fairness to government spending."

The Senate Republican budget plan provides a comprehensive framework for allocating \$14 billion of surplus, pandemic relief, and debt relief funds that is sitting idle in state accounts and being eroded by inflation. Additionally, it imposes spending restraints and addresses important needs ignored by the governor's budget proposal in a balanced manner.

Senate Republicans proposed more than \$6 billion of increased tax relief for New Jersey families and businesses, including:

- \$4.3 billion of "Give It Back" property tax relief to towns and counties to repay taxpayer-funded debt or to pay for capital projects that otherwise would be funded by new debt through Senate Bill No. 3906;
- \$1.2 billion to prevent tax and toll increases, including \$550 million to stop payroll tax increases on both employees and employers, \$500 million to fight tax bracket creep, and \$172 million halt planned toll increases on the New Jersey Turnpike, Garden State Parkway, and Atlantic City Expressway;
- \$363 million of school and municipal aid increases, including the restoration of \$165 million of Energy Tax Receipt payments to towns that Governor Murphy cut, the restoration of \$3.5 million of Municipal Open Space PILOT Aid, and \$165 million to reverse the administration's school aid cuts, fully fund extraordinary special education, and increase funding for transportation services;
- \$75 million to establish a state income tax deduction for charitable contributions to New Jersey-based nonprofit organizations; and
- \$30 million to double the Veteran Property Tax Deduction from \$250 to \$500.

"Governor Murphy's original budget proposal calls for higher taxes and tolls even as the State is swimming in money," said Senate Republican Leader Steven Oroho (R-24). "Senate Republicans are offering a responsible budget plan that doesn't ask New Jersey families, businesses and drivers to pay more when the Murphy administration doesn't need the money. We want to do more than just stop tax and toll hikes, we're proposing to give back billions that are sitting idle in State accounts to our towns and counties for property tax relief."

The Republican budget plan also prepares the State for a possible recession through a balanced approach that includes:

- primarily allocating one-time revenues to one-time, nonrecurring purposes, including: \$4.3 billion of local government debt reduction and pay-as-you-go capital infrastructure investments; restoring the health of the Unemployment Insurance Fund; and paying down existing State debt;
- advancing longer-term reforms that make our economy stronger;
- proposing increases in spending for various priorities that will strengthen the State, but funding them with 2:1 offsetting spending restraints – for a net reduction in State spending; and
- growing the surplus to a healthy, but not excessive, \$6.445 billion (12% of budget).

"Our plan is a fiscally conservative roadmap to protect the State from the impact of a recession while ending many of the excesses and abuses that led to a 50% increase in spending under Governor Murphy," said Senator Michael Testa (R-1). "This is the best way to drive economic growth, put money back in the pockets of New Jersey taxpayers, and end the political favoritism that has dominated State appropriations in recent years."

The proposal also establishes greater transparency and fairness for debt and pandemic relief funds that have been used as slush funds by Governor Murphy and Trenton Democrats, including:

- a major proposal to share \$4.3 billion from the New Jersey Debt Defeasance and Avoidance Fund with local governments for local debt reduction and avoidance and property tax relief;
- the timely allocation of federal COVID funds that have sat unallocated for two years, which is critically important given the pending clawback of unobligated pandemic relief funds as part of the deal signed into law by President Biden to raise the federal debt limit; and
- preventing the creation of a third slush fund proposed by the Governor that would control \$700 million of new taxes collected from Horizon premium payments.

"Never in New Jersey history have we seen so much taxpayer money spent with such little oversight as we have over the last three years under the Murphy administration," said Senator Doug Steinhardt (R-23). "Nothing good happens when billions can be spent behind closed doors with no public input and virtually no accountability. We've watched for three years as more than \$10 billion of pandemic and debt relief funds have been divvied up by Democratic bosses for politically favored projects that provide little benefit to most New Jerseyans. It's waste and abuse that our budget plan puts to an end."