

News From District 17 Democrats

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CONTACT: Senator Smith's Office
Jason Butkowski
Tel: (609) 292-5215

Assm. Chivukula's and
Assm. Egan's Office
John Duthie
Tel: (609) 292-7065

SMITH, CHIVUKULA AND EGAN ANNOUNCE UP TO 20 % SAVINGS FOR PROPERTY TAXPAYERS

*Credit Program will Provide Substantially More for Overburdened Property Owners
in District 17*

PISCATAWAY - State Senator Bob Smith and Assemblymen Upendra Chivukula and Joseph Egan announced today that taxpayers in the 17th Legislative District will see substantial savings under a new property tax credit program recently approved by the Legislature.

"Taxpayers are crying out for some measure of relief from New Jersey's property tax crisis," said Senator Smith, D-Piscataway, who co-chaired the Joint Legislative Committee on Government Consolidation and Shared Services during the Legislature's Special Session on Property Taxes. "During the Special Session, we explored every avenue to implement substantial reform and provide real relief to the

wallets of taxpayers in New Jersey. This relief package will provide the immediate savings that taxpayers need to afford the high cost of living in New Jersey.”

The updated credit program, currently pending Governor Corzine’s signature to become law, would provide an average of \$1,042 in savings to approximately 41,879 homeowners in District 17 (see attached table for municipal and income level breakdowns). The number of recipients in the District is up from last year’s 34,879 homeowners who received FAIR rebates through the State property tax relief program.

“These new statistics put the new property tax cuts into practical terms of dollars and cents for working households,” said Assemblyman Chivukula, D-Franklin. “This tax cut translates into dramatic increases in property tax savings.”

Under the new system of credits, the size of the property tax cut to be realized would be linked to household income:

- For homeowners with incomes up to \$100,000: a 20 percent credit, a maximum property tax savings of \$2,000 per household.
- For homeowners with incomes between \$100,001 and \$150,000: a 15 percent credit, with a maximum reduction of \$1,500.
- For homeowners with incomes between \$150,001 and \$250,000: a 10 percent credit, with a maximum reduction of \$1,000.

Statewide, approximately 1.8 million families will share \$2 billion in property tax relief this year.

In addition to the savings taxpayers will see from the expanded credit program, the bill establishing the program, A-1 / S-20, would also cap property tax increases each year at 4 percent, allowing taxpayers additional relief from onerous property tax increases. Currently, there is no cap on how much a municipality can increase its property tax levy from one year to another, and the Statewide average increase is approximately 7.5 percent.

“These property tax reforms are long overdue,” said Assemblyman Egan, D-New Brunswick. “Along with the local tax caps, I believe we can sustain these reforms far into the future.”

The caps and credits bill is a product of the landmark Legislative Special Session held this summer to identify ways to lower New Jersey’s property tax burden. Other reforms were implemented as a result, which would decrease the cost of government and put downward pressure on soaring property taxes in the Garden State.

For a complete breakdown of the property tax credits offered per municipality, see the attached table.

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