



Opinion: N.J. budget proposal is vintage Gov. Christie take-or-leave-it plan

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Times of Trenton guest opinion column

Realizing they'd been outfoxed, Democrats sought to regain the initiative by claiming the governor's budget recommended tax increases.

In a less than well-thought-out decision, Democrats argued that imposing the state sales tax on online purchases from out-of-state retailers along with extending the \$2.40 per pack tax on cigarettes to e-cigarettes put the lie to the governor's repeated assertions of "no new taxes."

However, in a classic case of stepping on your own story, Democratic Sen. Ray Lesniak announced he intended to introduce a 4-cent per gallon increase in the state's gasoline tax to replenish the Transportation Trust Fund.

Consequently, while Democrats attempted to embarrass Christie by accusing him of increasing taxes on the relatively small segment of the population that makes online purchases and the even smaller slice of the public that prefers e-cigarettes, one of the party's leading senators was recommending a tax increase that would affect the state's more than five million licensed drivers.

Several prior governors of both parties sought unsuccessfully to impose the sales tax on out-of-state mail order purchases and later on online sales when electronics overtook and dominated such sales. New Jersey businesses, advocates argue, are at a competitive disadvantage because they must collect sales tax on any item they sell, thus costing consumers more, while out-of-state retailers do not.

While the proportion of smokers who have opted for e-cigarettes is unclear, it is logical to assume they've done so out of health concerns rather than finding it cheaper because of a lower tax rate.

The argument that smokers will return to the tobacco product if required to pay the same \$2.40 per pack tax on e-cigarettes is a specious one. It is far more reasonable to believe they would accept anteing up the same amount to break the addiction and lessen adverse health consequences.

There is a stronger case to be made for a gasoline tax increase to allow the Transportation Trust Fund to embark on a capital program to repair, reconstruct and rehabilitate highways and bridges, many of which are functionally obsolete and a risk to the motoring public.

Christie, however, has opposed any increase and it appears from a recent poll that the public agrees with him. Seventy-two percent of respondents reacted negatively to raising the gas tax, while slightly fewer but still a considerable number — 63 percent — supported restoring the surtax on incomes in excess of \$1 million. Christie has vetoed the so-called millionaire's tax more than once and has vowed to do so again.

With Republicans united in sustaining the vetoes, any move toward increasing the gas tax or approving the surtax is pointless.

The Legislature, then, is left with a budget proposal it is essentially powerless to change in any significant way. It will go about its duty, holding public hearings and listening to aggrieved groups and individuals who feel shortchanged by the budget.

The contentiousness between the governor and the Legislature of the past is not likely to be repeated. The battle is over almost before it began.

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