

Senate Budget and Appropriations Committee Public Hearing Regarding the Proposed Fiscal Year 2026 State Budget

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Testimony from Tom Bracken, President & CEO, New Jersey Chamber of Commerce

The budget proposal you are considering represents a continuation of increased spending, a growing support of the state's progressive initiatives, and does nothing to address our fragile economic future. This formula must stop.

There are many deserving organizations here today with valid funding needs. I am sure that if you had the available revenue, you would honor many of the requests that will be made. The issue is the revenue, which for a variety of reasons, you do not have. One of the most prominent reasons is lack of growth in sustainable, reliable and organic tax dollars coming from a growing business community.

In fact, the most recent revenue numbers show the corporate business tax declining. The reason this situation exists is because for the last seven years – and continuing with this year's budget, we have dramatically underinvested in our business community. Not only underinvesting, but adding new taxes and decreasing the budgets of those state departments whose missions are to assist businesses.

This year proposals to increase taxes on online gaming, the logistics industry (the two buck a truck tax), the luxury real estate tax (which includes corporate real estate), and the cannabis industry tax – to name a few – all attack thriving growth segments of our economy. And, significant decreases in the budgets of the NJEDA, the NJ Business Action Center and the NJ Small Business Development Centers reduces those agencies from being able to provide much needed help to struggling businesses. Plus, cuts to higher education, hurts the ability to train employees for the changing job environment. All I just mentioned is exactly opposite to what is needed if we want to begin a much-needed economic revival.

In the governor's budget address, he emphatically talked about the lack of investment in the pension system that our prior governors have made. And, what he said about the pensions is mirrored by what has transpired regarding the care and feeding of business. Seven years of lack of focus and investment has caught up to us. Significant investments in our economy by assisting our business community in becoming more affordable, competitive and business friendly needs to start now. It is way overdue.

Each of our many candidates for governor agrees that our economy – and business growth – needs to become a priority. And, they all have plans to accomplish that goal. Let's give our next governor a head start by eliminating new taxes, and cuts in budgets to vital departments, and the higher education system. If you don't, the hole we need to dig our economy out of will be much deeper next year. A healthy, vibrant and growing business community assists every citizen, business and non-profit in our state.

I will close with a quote I heard from a gubernatorial candidate last week. "If we don't create new jobs now, we will die a slow death."

