

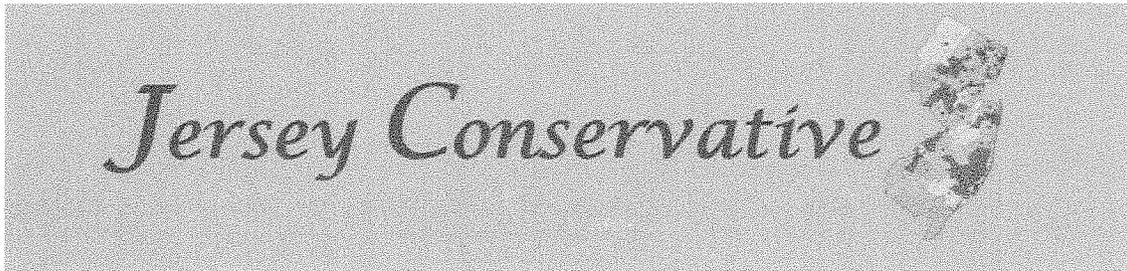
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**Masser, Michelle**

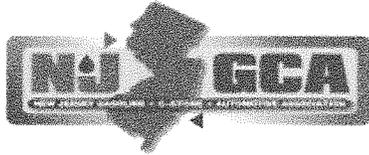
**From:** Jersey Conservative <info=jerseyconservative.org@mail220.suw12.mcsv.net> on behalf of Jersey Conservative <info@jerseyconservative.org>  
**Sent:** Monday, June 27, 2016 9:01 AM  
**To:** Masser, Michelle  
**Subject:** Gas stations say yes to Oroho bill

This website is run and maintained by a group of volunteers some of whom have their own websites. Jersey Conservative is always happy to link to a story on your website and accept a short lead that links with it, to post on Jersey Conservative.



## Gas stations say yes to Oroho bill

Many of you asked what the gas stations of New Jersey thought about Senator Steve Oroho's efforts to continue to pay for road and bridge maintenance and repairs while avoiding a property tax explosion. We found out for you and present it here:



4600 Rt. 33W • Suite 100  
West Twp., NJ 07753  
Phone: 732-256-9646  
Fax: 732-256-8666  
Web: www.njgca.org

June 24, 2016

**To:** The Honorable Members of the 217<sup>th</sup> New Jersey Legislature  
**From:** Sal Risalvato, New Jersey Gasoline, C-Store, Automotive Association

**Re:** SUPPORT A-11/S-2411

It goes without saying that none of us wants to support any form of gas tax increase. Up until about a year and half ago, I could not have imagined ever supporting a gas tax myself, either in my role as Executive Director of one of the industries most negatively affected by such a tax nor in my role as a private citizen and motorist.

I, like so many of you, searched to see if there was a reasonable way to fund our necessary infrastructure construction without an increase in these taxes, which have been level for the last 26 years, even as inflation and population increases have eaten away at the value of the tax revenue collected.

Yet after looking at the issue thoroughly, it is clear to me that there is no credible alternative. Decisions made over the last quarter century have had the cumulative effect of gutting the Transportation Trust Fund (TTF), and the need for new revenue is necessary and overdue. Part of the reason such a dramatic increase is necessary is, frankly, because of people like me who consistently opposed even the most modest of gas tax increases. Had our elected leaders, officials, advocates, and the public been a little more responsible over the last two decades we would not be here today, with a TTF mired in crushing debt and a total gas tax as high as is being proposed.

Though the gap will be smaller than it has been the last several years, New Jersey will continue to have a smaller gas tax than our neighbors in New York and especially Pennsylvania. Those states' tax rates are also tethered to the price of gasoline, so should the price of gas increase in the next few years to the level it was at as recently as June 2014, our rate will remain largely the same while theirs will increase markedly.

Though the rate of increase is significant, I am relieved to see that the problem of TTF funding is solved for the next ten years and even after that we are not likely to see any need for a fuel tax increase beyond what is allowed for by this bill. Had the increase been only a few cents, then we all would be back here in two or three years trying to come up with yet another solution to the problem.

I also applaud the sponsors for reforming the existing petroleum products gross receipts tax, rather than implementing a new or additional form of taxation at the pump that would have hurt small businesses, consumers, and ultimately the State. Continuing to collect all fuel taxes at the wholesale level is the best possible scenario for all parties involved.

Still, given that any increase would still negatively affect my members I would be much less likely to support this increase as a standalone action. It is the combination of meaningful, long overdue tax relief that has allowed me to support this bill.

Most important of all is the repeal of one of New Jersey's two death taxes, which place a significant burden on the lives (and deaths) of small business owners, most of whom live middle class lifestyles (despite claims to the contrary).

A majority of US states have no death tax whatsoever, while New Jersey is one of the two states with both an estate tax and an inheritance tax. It is also the only state with an estate tax exemption threshold under \$1 million. At just \$675,000 it is the most burdensome rate in the nation at a time when the national trend is toward significantly raising that threshold and/or completely eliminating all death taxes. The threshold for the federal tax is \$5.45 million and most of the states that do levy an estate tax either match that threshold currently or have passed legislation to ensure they match it within the next few years.

Death taxes are particularly burdensome given that New Jersey is such a high cost of living state. Commercial real estate, particularly in the densely populated northeastern portions of the state as well as along the major highways is very valuable, and it would not be uncommon for the real estate alone of a small business to push an estate over that low bar.

In 2009 the Legislature and Governor passed landmark legislation that gave hundreds of service station dealers the opportunity to finally purchase the land their business was located on from the big oil companies. Most of these properties were purchased for prices over \$1 million. The value of that land, the business on top of it, and their home easily amounts to over \$675,000 in this state.

Despite that, the lifestyle of most of these business owners is decidedly middle class. In order to keep that asset open, they work day and night seven days a week just to bring home a modest income. Eliminating the estate tax will have a genuine and significant positive impact on their life, and I assure you they are NOT members of the "1%", they are not Fortune 500 companies, none of my members are listed on the stock market, and virtually all of them are hurt by the New Jersey estate tax.

The combination of high value property and a low estate tax threshold creates a perverse incentive; when business owners age, it becomes wise to sell the business, "cash out", and then move to a state without a death tax (or at least a lower one).

Just in the last few years several states have phased out death taxes completely. Our nearest competitors in the Northeast are moving forward with lessening the burden of their death taxes. This will hurt New Jersey because residents who do not want to be outside of a reasonable driving distance from their New Jersey families will be compelled to move their assets to nearby states like Pennsylvania where they can have the best of both worlds.

The New Jersey estate tax is also an exceedingly complicated tax, which in turn can cost the bereaved thousands of dollars for an expert to sort out. New Jersey's estate tax has 17 different tax brackets to sort through, and this is on top of the inheritance tax and potentially the federal estate tax, along with the other burdens and stress in the months after a person's death.

I ask you to support this bill so that we can join the other 48 states in removing at least a portion of this onerous restriction that disproportionately suffocates independent small businesses. Help our "mom-and-pops" stay in business and survive against the trend toward big faceless chain corporations by giving them the space they need to pass their life's work on to the next generation.

My members welcome not only the repeal of the estate tax, but also the other provisions of this bill. I have already heard from some members particularly excited about the increase in income tax exemption for retirement income. For those business owners who are reaching the age they would like to retire, and in many cases pass their business on to their children, these two reforms will encourage them to live out their retirement in the state they built their life in.

Finally, I just want to take a moment to applaud the good work done by so many of the individuals involved in this issue over the last two years. It has been all too rare in the last twenty five years of New Jersey politics and government to see a well thought out, fiscally responsible, bipartisan bill come along to fix a major issue in this state, and fix it for the long term.

I urge you to support this bill.

Sincerely,



Sal Risalvato  
Executive Director



Sen. Beck votes for Planned Parenthood



Spadea's electric blue phallic symbol



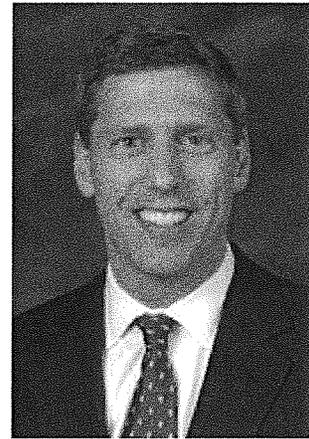
Spadea should study Shakespeare instead of Star Wars



Sen. Doherty is wrong to attack Lonegan



Sen. Beck: Tax policy is black or white/ gender is not



Peterson dumps on GOP admin under Christie



Beck & Doherty join left wingers to oppose tax cut for retirees



Senator Beck should drop support for trans-men in girls' toilets bill



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