



Raising taxes no way to fix economy

It's April. And for millions of America's working families that means it's time to pay the taxman. Here in New Jersey, our working families know much far too much about paying the taxman.

Garden State residents have one of the highest costs of living in the country — including skyrocketing federal, state and local taxes.

This year, New Jersey taxpayers — myself included — are saying enough is enough. From the governor's Mansion in Princeton to the White House in Washington, our executive branch leaders are proposing to raise taxes on New Jersey families who simply can't take it anymore.

In fact, New Jersey has become so unaffordable that families who have lived here for generations simply can't afford to stay. Since 1997, over 330,000 people have left our state for neighboring states with lower costs of living and lower property tax bills. New Jersey's job creating small businesses — which are the lifeblood of local economies — pay the second highest business tax burden in the country. Doing so means they can't afford to compete, hire new workers or continue to do business in our state, forcing many to move to neighboring states.

According to Americans for Tax Reform, New Jersey taxpayers will spend 211 days a year working just to cover the cost of government — the second highest burden nationally. New Jersey also has the highest state and local tax burden,

the second highest business tax burden and the state collects more property taxes per capita than any other jurisdiction.

As if to pour salt on an open wound, Gov. Corzine's recently proposed state budget increases income taxes to the third highest in the nation, eliminates most property tax deductions and extends a 4 percent tax surcharge on businesses.

Even worse, President Obama's recently approved budget calls for raising the marginal tax rates for individuals, business and joint filers, and calls for the elimination of the mortgage deduction from 35 percent to 28 percent on those households making more than \$250,000.

Because the mortgage interest tax deduction is so important to New Jersey's families, I offered an amendment seeking to protect it. Families here in Central New Jersey are not "super rich." They are hard-working, middle-class families facing some of the highest taxes in the country. The mortgage tax deduction allows New Jersey's homeowners to keep more of what they earn. It makes absolutely no sense to propose raising taxes on homeowners and homebuyers at a time of economic crisis.

According to the National Association of Realtors, more than 173,000 New Jersey tax filers earn enough to be adversely affected by the proposed tax hike — the fifth highest total in the nation. New Jersey Association of Realtors (NJAR) President Diane Dilzell of Bedminster pointed out that in a costly state like New Jersey limiting the amount of mortgage interest a family can deduct will have a significant negative impact on housing recovery efforts and the ability of many to enter the housing market.

Additionally, the president's budget also calls for the elimination of the charitable tax deduction. In 2006, more than 1.6 million New Jersey taxpayers reported charitable donations to the IRS.

The president's budget also seeks to tax interests and dividends. In 2006, more than 2.2 million New Jersey taxpayers earned interest that was taxable and more than 1.2 million New Jersey tax filers had taxable dividends. Both of these taxes punish savings.

With April 15 here, it seems that now is the best time for Congress and the President to work together to deliver meaningful tax relief to America's working families. After all, higher tax bills are not the cure for economic recovery

Right now, as families are struggling pay their taxes on time, make ends meet, pay their mortgages and recover from significant losses to their 401(k) and retirement savings plans, Congress has a responsibility to protect the taxpayer from higher, punitive taxes.

It is simply counter-productive for elected officials in Trenton and Washington to raise taxes on working families and job-creating small businesses.

U.S. Rep. Leonard Lance represents the 7th Congressional District.

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