



NJCPA

NEW JERSEY SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

May 6, 2024

RE: New Jersey CPAs urge you to oppose CTF

Dear Members of the New Jersey Legislature,

On behalf of the more than 13,000 members of the New Jersey Society of Certified Public Accountants (NJCPA), who serve hundreds of thousands of businesses and taxpayers, we urge you to oppose the proposed Corporate Transit Fee (CTF). Placing a permanent 2.5% tax on the 600+ largest companies in New Jersey, who employ hundreds of thousands of New Jerseyans, will inevitably place some of those jobs at risk, jobs that belong to your constituents. It will also harm thousands of small businesses that provide these companies with goods and services.

The vast majority of our members do not serve the 600+ large companies. However, many of their clients do. That's why CPAs are hearing from so many of their clients. These clients are worried about the impact of the CTF on their businesses, even though the tax is not levied directly on them. You can't lay a new burdensome tax on the large companies, who make up such a huge chunk of the economy, without smaller businesses suffering also.

The NJCPA worked hard to pass the Transportation Trust Fund amendments in 2016 that included a significant hike in the gas tax because we are fully aware of the importance of a strong transportation system for New Jerseyans and the state's businesses. However, the proposed CTF is not a wise and viable way to support our transit system. It will come at the cost of hurting businesses who provide the very jobs that NJ Transit riders use to get to work.

Additional problems with the CTF proposal include the following:

- Corporate business taxes are a very volatile revenue source, one of the most unstable revenue sources in the state budget. If we truly value transportation, then we should find a stable revenue source for it.
- There is no nexus, or a weak nexus at best, between the CTF and transportation in many areas of New Jersey.
- No other state dedicates a corporate tax to a mass transit agency.

The bottom line is that the CTF is harmful to all parties: small and large businesses, New Jerseyans in need of jobs and, in the long run, the state's revenue collections.



Thank you for considering our views on this very important issue.

Sincerely

A handwritten signature in black ink, appearing to read "Aiysha Johnson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Aiysha (AJ) Johnson, MA, IOM
CEO & Executive Director