



FROM 222 WEST STATE STREET  
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# SPEAK OUT AGAINST STATE USE OF ENERGY TAXES

**A**t one time the state's role was to manage and collect taxes that energy providers had once paid locally. For years, the state has determined how much of this money it will relinquish to municipalities—and how much to siphon off for its own budget.

The current State Budget (FY 2013) anticipates using \$340 million from the sales tax on energy utilities and \$63 million from the Corporate Business Tax for state purposes. For FY 2014, the state plans to use \$365 million from the utilities' sales tax and \$95 million from the CBT.

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In other words, the total state skim from these energy taxes will grow, over the next year, from \$403 million (in the budget adopted last June) to \$460 million.

The following quote is from ***Appropriating Energy Tax Receipts: The New Normal for New Jersey***, by Angie McGuire and Alan Zalkind, The Center for Government Services, Rutgers, The State University of New Jersey.

The main problem with this allocation shift was that the state's role was prescribed to be manager of the funds, not municipal benefactor. While a benefactor might decide how much to allocate for local property tax relief, the state was reallocating dollars taxpayers expected to have used for another purpose. The courts have ruled that this taking is allowable, but a reasonable question needs to be asked: who should be involved in a policy discussion when tax monies are repurposed?

In answer to that last question, we believe that New Jersey local government officials absolutely deserve to be involved in that policy discussion. This is money that should be contributing to property tax relief.

Now is the time to speak out! Contact your state representatives before the June 30 State Budget deadline and ask them to support our efforts to address this long-standing inequity. ▲