



September 15, 2014

The Honorable Chris Christie
Governor of New Jersey
State House
Trenton, NJ 08625

Governor Christie,

We are encouraged by recent movements by the state legislature calling for the elimination of the New Jersey estate and inheritance taxes. This change is much needed relief for small business owners and individuals in New Jersey who are currently forced to grapple with the most burdensome state death taxes in the country. While other proposed reforms are a step in the right direction, New Jersey would be best served by full repeal of the estate and inheritance taxes.

Simply put: death should not be a taxable event. It makes no sense to force a grieving family to pay a tax on their loved one's property. New Jersey is currently one of only 19 states that impose an additional tax at death, and only one of two to impose both an estate and inheritance tax. Forbes recently listed New Jersey as a place "Not to Die" in 2014 because of its high death tax. New Jersey's low estate tax exemption of \$675,000 and high rate of 16% make it the most confiscatory estate tax in the entire country. In New Jersey, even a middle-income family with a modest home and retirement savings can easily surpass the \$675,000 exemption. In recent years increasing home prices have lead to 1 in 5 single-family home sales greater than \$500,000.

A New Jersey resident could easily move to any of the 32 states that don't tax death to avoid a state death tax altogether. From 2001-2010, \$13 billion in annual gross income has left the New Jersey, according to data from the non-partisan Tax Foundation. Recent studies in North Carolina, Oregon, Rhode Island, Connecticut and other states all show that the death tax discourages business expansion and drives productive tax payers out of states with death taxes. Florida, a state with no death tax and a constitutional ban on enacting estate taxes, has been the largest beneficiary of out-migration from high death tax states.

Proposing repeal of the estate and inheritance tax comes at a critical time, as states have been moving quickly in recent years to eliminate or reduce the burden of their death taxes. In the past four years, Ohio, Indiana, North Carolina, and Tennessee have all eliminated their state death taxes. Additionally this year, Maryland, Minnesota, New York, and Rhode Island have increased their state estate tax exemptions.

Repeal of New Jersey's estate and inheritance taxes is a common sense improvement that

will help grow New Jersey's economy by keeping business owners, workers, and retirees in the state. We look forward to working with you this fall to see this important policy change through.

Sincerely,

Jim Martin
Chairman,
60 Plus Association



Sal Risalvato, Executive
Director,
New Jersey Gasoline, C-Store,
Automotive Association



Laurie Ehlbeck
State Director,
NFIB – New Jersey Chapter



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