

Patrick J. Deo, CPA, Cr.FA
patd@dldcpa.com
Anthony LaManna, CPA
tonyl@dldcpa.com
Michael J. Deo, CPA
miked@dldcpa.com

CLIENT ALERT

Gas Tax Increase and Other Tax Changes

Governor Christie, Senate President Sweeney, and Assembly Speaker Prieto on Friday, September 30, 2016, announced they have reached a “deal” to raise the gas tax and reduce other taxes. The following are brief highlights:

- Re-authorization of the Transportation Trust Fund for 8 years - \$2 billion per year (comes to \$32 billion when you combine State and Federal).
- Immediate 23 cent gas tax increase per gallon.
- Increases the earned income tax credit from 30-35% for low income earners.
- Increases the New Jersey Gross income tax exclusion for pensioners and retirees.
- Phase-out of the Estate Tax by 2018 (raising threshold to \$2 million 1/1/2017).
- Sales Tax phased down to 6.875% (1/1/2017) then 6.625% (1/1/2018).

On New Jersey 101.5 (WKXW-FM Radio Station), this morning (10/3/2016), Senator Michael Doherty (R-23 District) stated that legislators have not yet been provided with a draft of all the legislation. He also said he believed Senate President Sweeney and Assembly Speaker Prieto will try to push the legislation through on Wednesday without any committee hearings or public comments.

If you have concerns or comments, contact your Legislators and Governor Christie.

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Disclaimer: *This e-mail represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of these provisions may apply to a specific situation.*