



NEW JERSEY GENERAL ASSEMBLY

CRAIG J. COUGHLIN
SPEAKER

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Dear Colleagues:

I wanted to update you on the status of negotiations between the Legislature and the Administration with respect to the FY 19 budget. As you know, I along with our leadership team have been meeting or speaking with the Governor's office each day to arrive at a mutually acceptable agreement.

At our meeting on Tuesday afternoon, the Governor provided us with a broad framework for compromise. Immediately following Tuesday's meeting, the leadership team and I met to consider proposals to achieve a settlement. Later, I met with the Senate President to develop a plan that addressed each area of the Governor's framework. Although we did not meet with the Governor directly today, a proposal was provided to him.

While much of the plan has appeared in the press, I want to outline what is included.

In order to capture some of the windfall profits the Trump plan gave to corporations, we proposed applying a repatriation fee on business dividends earned abroad. The proposal also adds sales tax revenue and asks the wealthiest New Jerseyans to bear more of the burden by increasing the realty transfer fee for units selling for more than \$1,000,000. These last two items would, of course, only be up for discussion in our caucus if we have agreement to enact them as part of a budget deal from all sides. Those items are in addition to the revenue projected to be received from online sales taxes, of which an additional \$66 million is reflected in the attached summary. The plan also extends the corporate business tax surcharge for four years.

Additionally we have met with the Office of Legislative Services yet again to re-confirm our data, utilizing fair market numbers, and we are confident in their analysis. I remain hopeful that our efforts will continue to move all sides towards a settlement. That's a critical element. Moving all sides forward. I look forward to seeing you on Friday.

A copy of our summary is included.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Coughlin", written over the printed name.

Craig Coughlin