



## Op-Ed: Jersey Politicians, Can You Hear Us Now?

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It seems appropriate now, in the wake of the new federal tax law that New Jersey remember the immortal words of Pogo, “We have met the enemy and he is us.”

The sentiment is directed at all the state politicians who are crying over the “unfairness” of the new federal tax-reform measure that caps the deduction for state and local taxes at \$10,000 — including property and income taxes.

Many of the same people blasting Congress are the same members of the state Legislature, as well as county and local governments, who made New Jersey the highest-taxed state in the land. Now that Congress has reduced our ability to write off those taxes — as if they didn't exist — the politicians may finally get the message: It's time to lower property taxes — especially on middle-class families — or face expulsion from public office.

Let's be clear: Donald Trump did not raise our property taxes. Rep. Paul Ryan and U.S. Sen. Mitch McConnell didn't give us the highest property taxes in the nation, high income taxes, gold-plated pensions, and the overall worst business climate in the country. We did this to ourselves.

It was not the Republican Congress that inflicted pain on state taxpayers. It was the people we elected who have been pandering to the public unions, special-interest groups and political bosses. They doled out unreasonable pensions — and allowed ludicrous pension-padding gimmicks; they gave public employees platinum health benefits for life, early retirements with pensions, and payouts for unused sick days that resemble lottery winnings. All this generosity was granted without taxpayer approval.

### **Senseless school funding**

Compounding the problem for middle-class taxpayers is the state's senseless school-funding plan that shovels truck loads of money to a handful of school districts while leaving suburban taxpayers to fund more than 90 percent of their school needs while they also pay more than 80 percent of other people's school costs. More state school aid money goes to Newark than to all of Monmouth and Ocean counties combined. Morris County, in total, gets less state aid than the City of Passaic; the same goes for Bergen County. Jersey City gets more annual state aid than either Salem, Somerset, Sussex, or Warren counties. Yet, the Legislature refuses to make

changes to fairly distribute state aid that comes from the very taxpayers who are paying the most taxes to Trenton.

The state's pension and benefit giveaways have created a hulking \$250 billion deficit — that will require a huge infusion of money to pay down. The state's undisciplined spending caused the American Legislative Exchange to rank New Jersey 47th in the nation in economic performance. The Mercatus Center at George Washington University ranks the state 50th among the states for its fiscal health.

The officials who keep spending our money seem ignorant of the flight of businesses, retirees, and now millennials — the young people we need with the skills to attract high-tech industries. The Cato Institute ranks New Jersey 49th in terms of net outmigration — only Illinois is worse.

Businesses that were reluctant to invest in New Jersey before federal tax reform now have more reasons to go elsewhere. Chief Executive magazine ranked New Jersey 47th out of 50 states as a place to do business; that's not surprising considering the state's high property taxes and the fact that it has the sixth-highest corporate tax rate in the nation — and mountains of regulations to traverse.

### **Avoiding freefall**

To stop the flight of more people and business and to hold off a freefall in home values, state and local officials must make changes — some of which are not that hard. For starters the officials should follow the advice of the Pension and Health Benefits Council that in both 2014 and 2017 strongly recommended replacing the platinum health benefits coverage that public employees receive — the equivalent of an Obamacare Gold plan — thus creating a savings of \$2.7 billion, to "enable a meaningful reduction of property taxes."

A school-aid overhaul would dramatically reduce property taxes on middle-class homeowners — and help make housing more affordable for young people. Lowering the corporate income tax rate and overhauling business regulations will invite more companies to the state — and create high-tech jobs for millennials while broadening the tax base.

Ending pension gimmicks and greater scrutiny over how tax money is spent in our school districts, county government offices, and the State House are now imperative.

New Jersey's property-tax burden has been crushing middle-class families and harming business owners long before federal tax reform became a reality. But Trenton legislators, school boards, county freeholders, and mayors have turned a deaf ear to residents' cries for help. It's time for taxpayers to ask the all-important question of their elected officials: "Can you hear us now."