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## \$400 Million From Tax Amnesty Program Gives Trenton a Budget Breather

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TRENTON — It is a surprise that governments, businesses and people everywhere would envy in these lean times: a windfall of more than \$400 million in revenue.

Gov. [Jon S. Corzine](#) of New Jersey announced news of the state's bounty just as legislators were about to approve a \$28.6 billion budget that calls for spending cuts and tax increases. But the windfall, from the state's tax amnesty program, led lawmakers to postpone the vote to allow them and the governor to determine how to use the money to help ease New Jersey's property taxes, which are among the highest in the nation.

"This money belongs to the taxpayers, and we're going to give it back to them in property tax relief," Mr. Corzine said.

But the governor, and his fellow Democrats who control the Legislature, did not commit to restoring the property tax rebate program, which had been cut during contentious budget negotiations this spring.

The infusion of unexpected cash was a rare bit of good news in a budget season characterized by a series of disappointments. The [recession](#) and falling tax revenues have forced Mr. Corzine to slash spending and increase taxes, decisions that have no doubt contributed to his dismal showing in many public opinion polls.

With Mr. Corzine facing re-election this year — and trailing his opponent, the former United States attorney for New Jersey, [Christopher J. Christie](#), in recent surveys — Republicans were derisive about the timing of the announcement, suggesting that it was an election-year stunt intended to sugarcoat the budget's bitter realities.

**"Finding \$500 million in the cushions of his State House office does not make Governor Corzine a fiscal wizard," said Jay Webber, the state Republican chairman. "He's still going to raise taxes on New Jerseyans by over \$2 billion next week, in the middle of a recession.**

**He is raising income and payroll taxes, and our highest-in-the-nation property taxes will continue to skyrocket.”**

New Jersey’s tax revenue was hit hard by Wall Street’s woes and was expected to fall at least \$5 billion below last year’s.

The plan legislators had been set to vote on called for a \$4 billion reduction in spending compared with last year. It was expected to pass the Democratic-controlled Legislature largely along party lines. The plan called for increases in taxes on cigarettes, liquor and on state residents earning more than \$400,000 a year. It also cut property tax rebates for homeowners who are not elderly or disabled, and forced state workers to take nine unpaid furlough days and delay a scheduled pay increase.

When Mr. Corzine announced the tax amnesty plan two months ago, state officials projected that it would reap \$200 million in revenue. But the governor said Thursday that the initiative has already brought in \$600 million and there are still thousands of envelopes yet to be opened and tallied.

Democratic lawmakers were relieved by the news, and were quick to trumpet it. [Assembly Speaker Joseph J. Roberts Jr.](#), a Democrat from Camden, chastised Republicans who had criticized the amnesty plan and said it proved that Mr. Corzine and his legislative allies had been shrewd and prescient in responding to the nation’s fiscal crisis.

But Mr. Corzine’s opponent, Mr. Christie, called the tax windfall a symptom of the Democrats’ failure to provide steady leadership in handling the state’s finances.

“It is now clear that Jon Corzine has no control over the budget or our government,” Mr. Christie said. “He promised four years ago to change the way Trenton budgeted, but this budget uses billions in one-shot gimmicks — including this latest tax amnesty windfall — that will have to be made up in future budgets. This kind of haphazard governing by chance just doesn’t cut it when we’re facing 8.8 percent unemployment, skyrocketing property taxes and real pain for all middle-class New Jerseyans.”

The Legislature is now scheduled to debate a revised budget bill next Monday and vote on it on Thursday. The State Constitution requires that a budget be in place by July 1.