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hitting a record \$9,490 in 2022.

May. 23, 2023

The image shows three overlapping IRS tax forms. The top form is Form 1065, 'U.S. Return of Partnership Income', for the calendar year 2005. Below it is Form 1120S, 'U.S. Income Tax Return for an S Corporation', also for the calendar year 2005. The bottom form is Form 1120, 'U.S. Corporation Income Tax Return', for the calendar year 2005. The forms are from the Department of the Treasury, Internal Revenue Service. The 1120S form includes a section for the effective date of S election and a section for the corporation's name and address. The 1120 form includes a section for the corporation's name and address, and a section for the type of corporation (consolidated return, personal holding company, personal service corporation, or Schedule M-2 required).

By Brent Johnson, Derek Hall – nj.com (via TNS).

New Jersey’s top two state lawmakers gave an indication Monday that tax cuts — one proposed for seniors, another already planned for large corporations — are likely to be a big focus, and possibly spark a big fight, in the final weeks of state budget negotiations.

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property tax credit program for seniors called Stay NJ.

MORE: [Assembly Speaker: It's time to cut property taxes in half for seniors in New Jersey | Opinion](#)

“It’s time to make New Jersey competitive for retirees looking to spend their golden years in their homes,” Coughlin, a 65-year-old who recently welcomed his first two grandchildren, wrote in a corresponding op-ed published on [NJ.com](#). “It’s time to be there for our seniors, to make our state a better place to retire.”

The program would at least initially cost \$400 million, according to a synopsis of the legislation, though full text of the proposal was not available as of Monday afternoon.

New Jersey is home to the nation’s highest property taxes, with the average bill hitting [a record \\$9,490 in 2022](#).

Murphy has proposed [a record \\$53 billion budget](#), which includes a massive \$10 billion surplus to prepare for a possible economic downturn.

It’s now up to the Democratic governor to negotiate a final budget with Coughlin and Scutari, the leaders of Democratic-controlled state Legislature. One must be in place by July 1, the start of the new fiscal year.

The budget got a jolt of uncertainty last week when [the state Treasury Department said](#) it now expects to collect \$1.2 billion less for the fiscal year that ends June 30 than it estimated in February, and its forecast for the new fiscal year is now \$1 billion lower than original estimates.

This all comes in a big election year as all 120 seats in the Legislature are on the ballot in November, with Democrats trying to retain their control two years after

Republicans [gained seven seats](#).

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It's unclear where Murphy stands. The governor's office declined to comment Monday.

A source familiar with the proposal said it would ultimately cost the state about \$1.5 billion.

The source, who spoke on the condition of anonymity, said the "big concern" is whether it's affordable considering the tax revenue drop-off.

Coughlin — considered [a potential candidate for governor in 2025](#) — also introduced a bill ([A2](#)) that would increase the income eligibility threshold for the Medicare Savings Programs and another ([A3](#)) that would revise the income eligibility criteria for the Senior Gold prescription discount program for seniors.

At the same time, Murphy and some lawmakers have said they plan to honor a longstanding deal to [end a temporary surtax](#) on the largest companies doing business in New Jersey.

It's a move supported by business leaders who say it will make the state more friendly to companies but opposed by progressive advocates and financial experts who say it would suck billions out of the budget.

Asked Monday if an extension of the surtax is still on the table, Scutari said: "I think that certainly is a possibility."

"I don't know what the governor's thoughts are on that," the Senate president said. "But in my thought process, obviously, we now have to have a stable funding source. And that's the first thing that kind of pops to your head and probably mine, as well."

MORE: [Gov. Murphy's progressive fans are steamed at him over how much N.J. should tax big corporations](#)

Asked if keeping the surtax might help pay for tax cuts for seniors, Scutari said:

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