

State lawmakers: Don't panic; take action

Leaders urge other officials to make sure N.J. weathers crisis

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GANNETT STATE BUREAU

TRENTON — The state Legislature's newfound emphasis on economic issues opened Monday with an urgent call to action tempered by reassurances that New Jersey is putting itself in a position to weather the global financial storm.

Against a backdrop in which the world's stock markets took another pounding, Assembly Speaker Joseph J. Roberts Jr. told Assembly Budget Committee members at the session's start that demand for social services is up dramatically across the state as Wall Street's woes continue their advance into New Jersey communities large and small.

Residents are in a "state of high anxiety," said Roberts, D-Camden, as he urged his fellow state lawmakers to confront those economic challenges within their control during Monday's marathon of committee meetings and in the weeks ahead.

"We have to work to ensure that New Jerseyans can get through this," Roberts said.

Assemblyman Louis

Greenwald, D-Camden, the budget committee chairman, said after Roberts' remarks that the Legislature already reduced spending in this fiscal year's state budget by the largest amount in New Jersey history. He encouraged legislators to "stay the course" and predicted New Jersey will emerge from the crisis stronger and better equipped to tackle future economic obstacles.

"At this point in time, panic is unwarranted," Greenwald said.

In the hours that followed, several Assembly committees and a Senate panel helped advance nearly 20 bills aimed at preventing home foreclosures, helping people pay heating bills, protecting consumers from securities fraud, retaining and creating jobs and reforming New Jersey business taxes.

One bill that easily advanced out of the Assembly and Senate budget committees would let businesses carry net operating losses forward for up to 20 tax years, instead of the current seven years, and use them to offset income and reduce taxes in those years.

The federal government and many states, including New York, Pennsylvania,

Connecticut and Delaware, already have that tax provision.

"In this difficult economic climate, businesses are trying to stay afloat," said Mary Ellen Peppard, government relations manager for the New Jersey Chamber of Commerce.

"Net operating loss provisions allow businesses to weather economic fluctuations by allowing additional time for investment, growth and expansion, which is particularly important for small businesses and new ventures. Extending the time period for net operating losses will help struggling businesses survive the downturn and retain jobs."

While business groups throughout the state recorded their support for the legislation, a researcher with the liberal think-tank New Jersey Policy Perspective argued lawmakers must determine the measure's financial impact on the state, especially at a time of record budget cuts, the state's high debt and projected lower tax revenues.

"Is this really the time to be cutting business taxes?" questioned Mary Forsberg.

