



Gubernatorial candidate Phil Murphy walks away from a podium after a news conference. | AP Photo/Julio Cortez

Murphy says he would have backed a 'clean' tax trade-off to replenish TTF

By KATHERINE LANDERGAN | 10/11/16 06:25 PM EDT

WHIPPANY — Democratic gubernatorial candidate Phil Murphy on Tuesday elaborated on his reluctant support for the deal to replenish the state's infrastructure fund, saying he would have pushed for a "clean" tax trade-off.

Murphy said that if he were in Gov. Chris Christie's position, he would have increased the gas tax out of necessity, but just attached a single tax relief provision that benefited working

families — such as an increase in the earned income tax credit — and not the sweeping changes the Legislature approved last week.

“I would have embraced a clean bill, meaning I would have tried to find a way to cushion it for the folks who are actually going to pay the tax,” Murphy said in response to a question from the audience during a talk on business regulation.

Last Friday, the Legislature approved a controversial package that pairs sweeping tax cuts with a 23-cent-per-gallon increase in the state’s gasoline tax. Christie has said he will sign the legislation. The \$16 billion, eight-year deal will produce the longest-lasting funding source for the Transportation Trust Fund since it was created in 1984. The proposal, which will also cut the state sales tax a fraction of a penny and eliminate the estate tax, represents a massive policy shift in Trenton.

Murphy, who has emerged as the Democratic frontrunner in next year’s gubernatorial race, also questioned other parts of the deal. A cut in the sales tax, he said, could be seriously considered if the state was “on easy street.” He also said he understood why some would push to eliminate the estate tax, but “if the house is on fire, I’m not sure that’s the first move on the chess board.”

He said that under his administration, there would be “no way” the crisis would have gone this far.

“It would have been solved years ago,” Murphy said, adding that “it’s been kicked down the road forever and a day.”

At the talk, which was hosted by the New Jersey Civil Justice Institute, Murphy broadly outlined his fiscal plan for New Jersey, including an overhaul to the public infrastructure system, investment in higher education and a novel idea to start a state-run bank.

“Unless we get the economy right, we won’t get New Jersey right,” he said.

Murphy also drew comparisons between New Jersey and the greater Boston area, where he grew up. The state must reclaim its space in the STEM [science, technology, engineering and math] economy, he said, and it should use the Boston “eco-system” as a model. He said General Electric made the decision to relocate its global headquarters to Massachusetts, in part because of a good tax deal, but also because of the state’s investment in areas like higher education and infrastructure.

“Greater Boston has figured that equation out,” he said. “There’s no reason we can’t have a dog in that fight.”

Murphy told the crowd that although his campaign has had a good couple of weeks, "my schedule hasn't changed a lick." He promised to be a governor who makes decisions based on what's best for the next generation, not his next election.

"If that means paying the political price, I will pay it. If it means being a one-term governor, count me in," he said. "I hope it doesn't, but if it means moving the state 20 or 30 degrees to the positive, and to pay a political price for it, boy I'll tell you, that's a good day's work."