NEW JERSEY SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

NJCPA Members' Economic Priorities for Governor-Elect Sherrill

In advance of the 2025 New Jersey gubernatorial election, the New Jersey Society of Certified Public Accountants (NJCPA) conducted a three-part survey of more than 500 member CPAs and finance/accounting professionals to determine what should be the top focus of New Jersey's next governor and what action steps are needed. Survey respondents listed the following top five priorities:

1. Reduce property taxes

With New Jersey consistently ranked among the most tax-challenged states, concerns over all taxes, but particularly property taxes, run high. In the Tax Foundation's 2025 State Tax Competitiveness Index, New Jersey is 49th, next to New York, which is in last place, when it comes to the state's tax system. Survey respondents noted that high property taxes discourage out-of-state college students from moving back and starting careers in New Jersey. It also directly leads to those choosing to retire to less-taxed states. NJCPA members recommend the following:

Action Plan:

- Consolidate services, such as police, fire and schools, among neighboring towns and use financial incentives for performance to lower taxes.
- Eliminate the exclusions that are permitted under New Jersey's 2% property-tax levy cap for local municipalities and school districts.
- Redirect New Jersey state resources to municipalities to reduce real estate taxes.
- Review any misuse of revenue and look at the state's entire tax base for inefficiencies.

Consider for the Future:

- The percentage of property taxes allocated to local public schools should be reevaluated by school district to be more equitable in the state.
- The state's Stay NJ program, which will offer property tax relief for eligible homeowners age 65 and older who applied before the deadline of Oct. 31, 2025, should be made permanent.
- Having an excise tax on the largest commercial users of power, such as data centers, could raise necessary funds for the state and take some burden off taxpayers.

2. Audit state agencies for overspending and waste

New Jersey's $58.8 billion budget for fiscal year 2026 was a record for the state. NJCPA members noted that having more transparency and checks and balances would help address problems with overspending, waste and revenue allocation. NJCPA members recommend the following:

Action Plan:

- Implement rigorous reviews of spending in all state government agencies to uncover any fraud and waste.
- Provide more clarity and transparency on spending on state websites.
- Review other states for best practices.
- Modernize technology and reporting to eliminate human error and save costs.
- Examine the role of County Commissioners (formerly called Freeholders).

Consider for the Future:

- Increasing the State Controller's audit function and adding inspector general functions to each department reporting to the State Controller would help eliminate waste.
- A watchdog team could be set up to oversee state agency audits being done, similar to CPAs' peer review process.
- Independent contractors should be contracted, or agencies should be created, to administer any audit.
- Every municipal government in the state should have a finance committee.

3. Improve the state's infrastructure

Residents need to be able to rely on the state's roads, tunnels, bridges and public transportation to arrive timely to work and back home without costly and unforeseen delays. Infrastructure is always important as it is directly linked to the safety of residents. NJCPA members noted that it's important for people to travel on public transportation to get to their jobs and be able to live in the state. They noted that traffic delays from infrastructure repairs reduce quality of life. NJCPA members recommend the following:

Action Plan:

- Prioritize public transportation.
- Reduce traffic and bottlenecks.
- Maintain infrastructure without increasing tolls.
- Halt least-efficient bus and train routes.

Consider for the Future:

- The state needs better roads for commercial vehicles.
- Construction companies that have elongated projects should be tracked and not used for future jobs.
- Additional research should be done on asphalt that would last longer than it does now.
- Competitive bidding should be subject to more transparent public oversight.

4. Restructure the public worker pension system

At more than $90 billion, New Jersey's outstanding pension liability represents a disproportionate part of the state's budget — a situation that is untenable. NJCPA members commented that government workers should be treated the same as in the private industry, which has mostly switched to 401(k) benefit plans versus pensions. NJCPA members recommend the following:

Action Plan:

- Restructure the state's pension system. For all new state employees and those current employees who opt in, institute a 401(k) program with attractive matching to replace the current pension system, which, over time, should be phased out.
- Stop payments of double and triple pensions to employees of multiple municipalities simultaneously.
- Consolidate all of the different pension systems into one place.

Consider for the Future:

- Since state/municipal salaries were historically lower due to the prospect of having a pension, the financial implication of converting to a 401(k) system for all new state workers needs to be taken into account since wages would have to come up to market value.
- If the benefit plan structure is altered to a 401(k), the ability to fire state/municipal employees on a similar level to private workers should be evaluated.
- For New Jersey to remain competitive with surrounding states, its pension system should be similar as well.

5. Reduce regulations for businesses

Reducing the hurdles of doing business in the Garden State is top of mind for residents and businesses alike. Having a less-regulated business environment in New Jersey will not only provide jobs and encourage entrepreneurship, but it should also reduce costs for consumers. NJCPA members were in favor of having fewer burdens for operating businesses in the state, but they cautioned about compromising on safety. NJCPA members recommend the following:

Action Plan:

- Make it easier to create and register businesses as well as dissolve businesses.
- Alleviate the tedious application and approval processes at different levels of government that are involved in starting a business.
- Reduce permit fees and create incentives to start a business in New Jersey.
- Specifically eliminate the $150 per partner filing fee for New Jersey LLCs, which is currently required by the New Jersey Division of Taxation.

Consider for the Future:

- Fast execution of growth projects will make it easier for businesses to relocate to New Jersey.
- Initiating audits of current government departments in charge of approval processes and reviewing on a rotating basis should help.
- Using online portals can help streamline business licensing and permits.

About the NJCPA

The NJCPA stands ready to assist lawmakers and Governor-Elect Sherrill and the New Jersey Legislature in improving the business landscape and finding actionable solutions to challenges that impede those efforts. The NJCPA represents the interests of more than 17,000 Garden State CPAs, as well as thousands of accounting and finance professionals and students. We play a leadership role in supporting the profession by providing members with educational resources, access to shared knowledge and a continuing effort to create and expand professional opportunities. Visit njcpa.org.

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