



## NEW JERSEY GENERAL ASSEMBLY

JOHN DIMAIO  
REPUBLICAN CO-CONFERENCE  
LEADER  
ASSEMBLYMAN, 23<sup>RD</sup> DISTRICT  
208 MOUNTAIN AVE, SUITE 3  
HACKETTSTOWN, NJ 07840  
TEL: (908) 684-9550  
Fax: (908) 722-1542

### COMMITTEES

COMMERCE AND ECONOMIC  
DEVELOPMENT  
ENVIRONMENT AND SOLID WASTE  
TRANSPORTATION AND  
INDEPENDENT AUTHORITIES  
[AsmDiMaio@njleg.org](mailto:AsmDiMaio@njleg.org)

May 22, 2020

President Donald J. Trump  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

Dear Mr. President:

I write to ask that you consider a proposal that will help the economy, the people our economy and nation rely, and the United States – which are individually burdened by the Covid-19 pandemic and the economic shutdown. This proposal would likely cost less than \$500 billion, and certainly less than the \$1 trillion most recently proposed to bailout state governments.

Cutting taxes is the single most effective way to lift people into prosperity. Recognizing that truth, I believe a federal tax holiday tailored to individual states would provide the revenue needed and relief taxpayers require.

Many states, like New Jersey, have been poorly managed and do not deserve a blank check bailout on the back of taxpayers across the country, as the current plans dictate. My proposal would allow New Jersey taxpayers to help New Jersey, and asks that you and Congress require, by conditions, the revenue be used responsibly.

Such conditions could mandate the funding fully satisfy state constitutional, legal and debt obligations, and reforms to lower the cost of government.

Using New Jersey as an intimate example, income tax revenue derived from the federal holiday can only be used, by constitutional requirement, to fund our schools, reduce our pension and health benefit debt, help local governments and lower property taxes. My governor, Phil Murphy, told you that New Jersey needed \$20 billion to \$30 billion for the state and local governments. That revenue would be sufficient to aid the residents of this state in recovery from the pandemic.

The plan requires states to create a new, one-time tax form for this tax year, applying the federal rates to state taxpayers. Filers of this form would not need to file federally; the state would copy the form for the Internal Revenue Service as evidence of taxes paid.

Essentially, residents would only pay federal, and not state, taxes, but states would receive a desperately needed revenue boost.

Only residents who earn up to a certain income could file this return to avoid an exaggerated windfall to the state. Being that it is optional; residents who receive federal benefits would likely not file it, making this tax cut purely middle-class. The income limit for these filers is not yet determined because it should be a matter of federal discretion, in negotiation with you and the leaders of Congress, where the responsibility to tax originates.

Take this as an example that federal taxation further empties the bank accounts of Americans for services that could be better and more efficiently provided at the state level. A teacher needs a smaller classroom to maximize the education of her or his individual students. Likewise, governments need a smaller population to maximize the safety nets provided to address individual needs.

The other proposals providing a blank check would continue the poor fiscal management in states that has led to some being in dire budgetary circumstances. There would be no relief for taxpayers, millions of whom are unemployed and face a financially uncertain future. They need all the help we can provide.

Many states need federal relief. We must provide resources in the most efficacious way possible.

Thank you for your consideration. I hope you and your family are well.

Sincerely,



John DiMaio  
Assemblyman, 23rd Legislative District

CC: Michael Pence, Vice President  
Steven Mnuchin, Treasury Secretary