

# Report Cites NJ Among Most Expensive States for Doing Business

by Victor Kinon on August 2, 2013

New Jersey is one of the most expensive places in the country to do business, according to CNBC. New Jersey dropped to 42nd in its recent report, America's Top States for Business 2013.

The latest ranking extends a declining trend in the annual report. In 2011, New Jersey ranked 30th overall. In 2012, the state plummeted to 41st position. This year, Connecticut, California and Hawaii joined New Jersey at the bottom of the list.

South Dakota, Texas and North Dakota earned top marks in the CNBC analysis, which ranked states based on 55 metrics in 10 broad categories of competitiveness. Each category receives a point weighting based on how frequently states cite the it as a selling point in economic development marketing materials. This year, the cost of doing business received the greatest emphasis, which may partly explain New Jersey's poor ranking.

“New Jersey is quite simply one of the most expensive states to do business in. Office and industrial rents are expensive, wages are high. And with a corporate income tax rate of 9 percent on top of soaring property taxes, New Jersey has one of the highest tax burdens in the country,” the report on New Jersey states.

Thankfully, there is a silver lining. New Jersey made gains in several key categories. New Jersey rose to 41st in business friendless compared with 48th in 2012, suggesting that recent regulations to cut red tape may be working. The state also won the top spot in the education category. As highlighted by CNBC, “Class sizes are low, the state generously supports its public schools, and high school test scores are among the best in the country.”

If you have any questions about the report or would like to discuss how it may impact your business, please contact me, Victor Kinon, or the Scarinci Hollenbeck attorney with whom you work.