EXHIBIT 5

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

STATE OF NEW YORK, STATE OF CONNECTICUT, STATE OF MARYLAND, and STATE OF NEW JERSEY, Plaintiffs, v. STEVEN MNUCHIN, in his official capacity as Secretary of the United States Department of Treasury; the UNITED STATES DEPARTMENT OF TREASURY; DAVID J. KAUTTER, in his official capacity as Acting Commissioner of the United States Internal Revenue Service; the UNITED STATES INTERNAL REVENUE SERVICE; and the UNITED STATES OF AMERICA, Defendants.	Civil Action No. ____________________ DECLARATION OF MARTIN POETHKE

Declaration of Martin Poethke

I, Martin Poethke, declare as follows:

1. I am the Director of the Office of Revenue and Economic Analysis ("OREA") at the New Jersey Department of the Treasury.

2. As part of the responsibilities of my position, I am involved in reviewing and approving calculations performed by OREA staff regarding revenue projections for the budget process as well as the monitoring of the revenues and the economy throughout the year.

3. In preparing this Declaration, I have relied on my knowledge and experience as Director of OREA, as well as the laws, data, reports, and research from OREA staff that are described in this Declaration.

The Limit on the Deductions for State and Local Taxes in Public Law 115-97 ("2017 Tax Act")

4. On December 22, 2017, President Donald Trump signed into law Public Law 115-97 ("2017 Tax Act"). Among other things, the 2017 Tax Act placed a $10,000 cap on the amount of the deductions allowed for state and local taxes ("SALT") at the federal level.

5. Prior to the enactment of the 2017 Tax Act, taxpayers generally could deduct the full amount of SALT paid.

6. The new SALT deduction cap will result in New Jersey residents paying more in federal taxes than absent the cap.

7. The new SALT deduction cap will also affect revenues of the State of New Jersey ("State") by reducing collections from two taxes based on the value of real property.

Impact of the 2017 Tax Act on New Jersey Residents

8. To estimate the impact of the 2017 Tax Act on New Jersey residents, a senior researcher from OREA compared two different scenarios using data from tax year 2015, which is the most recent year complete New Jersey administrative tax data is available. The first scenario is a hypothetical scenario in which the 2017 Tax Act is implemented without a SALT deduction cap. The second is based on the complete implementation of the 2017 Tax Act. Because the 2017 Tax Act reforms federal tax law and does not change New Jersey tax law, the direct effect is a change in the federal income tax liability of New Jersey residents. The analysis is conducted by matching federal income tax return data with New Jersey residents who filed a New Jersey gross income tax return (NJ-1040). The estimates generated are reported in 2015 dollars.

9. The aggregate federal tax liability for New Jersey residents is estimated to be $59.930 billion under the first scenario, where New Jersey residents were allowed to deduct the full amount of SALT paid while keeping the other provisions of the 2017 Tax Act intact.

10. In the second scenario, under TCJA 2017, the estimated federal tax liability for New Jersey residents is $63.066 billion.

11. Comparing the two scenarios, it is estimated that New Jersey residents will pay $3.136 billion more in federal income taxes as a result of the SALT deduction cap.

12. The table below compares the average federal income tax liability, by adjusted gross income group, under the two different income tax scenarios. The average federal income tax liability is higher for all New Jersey income groups under the 2017 Tax Act. Therefore, based on the research, the SALT deduction cap will result in New Jersey residents paying more in federal income taxes.

Federal AGI Group	Count	No SALT Cap vs. 2017 Tax Act: Average Federal Income Tax Liability			
		No SALT Cap	2017 Tax Act	Difference	Percent Change
below $50,000	2,416,887	$ 1,187	$ 1,191	$ 4	0.3%
$50,000 - $100,000	977,757	7,429	7,511	82	1.1%
$100,000 - $250,000	813,378	21,318	22,166	848	4.0%
$250,000 - $500,000	145,499	66,764	70,075	3,312	5.0%
$500,000 - $1,000,000	41,706	169,181	182,805	13,624	8.1%
$1,000,000 - $2,000,000	17,999	392,833	427,854	35,021	8.9%
$2,000,000 - $5,000,000	5,468	921,523	998,172	76,649	8.3%
$5,000,000 - $10,000,000	830	2,170,407	2,338,671	168,263	7.8%
at least $10,000,000	280	6,348,562	6,770,206	421,644	6.6%
Totals	4,419,804	$ 13,559	$ 14,269	$ 709	5.2%

13. As shown above, the federal income tax bill for households making between $100,000 and $250,000 would be higher by an average of 4.0% as a result of including the SALT deduction cap. Households with earnings between $250,000 and $500,000 would pay 5.0% more on average in federal income taxes. On average, the federal income tax liability for New Jersey residents would be 5.2% higher.

14. The table below reports the difference between the two scenarios on the aggregate federal income tax liability rather than average tax liability.

		No SALT Cap vs. 2017 Tax Act: Federal Income Tax Liability (Millions $)			
Federal AGI Group	Count	No SALT Cap	2017 Tax Act	Difference	Percent Change
below $50,000	2,416,887	$ 2,870.0	$ 2,878.9	$ 8.9	0.3%
$50,000 - $100,000	977,757	7,264.1	7,344.0	79.9	1.1%
$100,000 - $250,000	813,378	17,339.5	18,029.5	689.9	4.0%
$250,000 - $500,000	145,499	9,714.1	10,195.9	481.8	5.0%
$500,000 - $1,000,000	41,706	7,055.8	7,624.0	568.2	8.1%
$1,000,000 - $2,000,000	17,999	7,070.7	7,701.0	630.3	8.9%
$2,000,000 - $5,000,000	5,468	5,038.5	5,457.6	419.1	8.3%
$5,000,000 - $10,000,000	830	1,801.8	1,941.5	139.7	7.8%
at least $10,000,000	280	1,775.4	1,893.3	117.9	6.6%
Totals	4,419,804	$ 59,929.9	$ 63,065.6	$ 3,135.8	5.2%

Impact of 2017 Tax Act on State Revenues

15. To estimate the impact of the 2017 Tax Act on State revenues, I reviewed and approved calculations made by OREA staff estimating the impact of the expected reduction in home values on the revenues collected by the State from the realty transfer fee and the additional assessment on certain real property valued over $1 million. For this estimate, home price data from calendar year 2017 was used to model the impact on tax collections.

16. Home values in New Jersey will be adversely affected by the SALT deduction cap combined with the reduction in the limit on the mortgage interest deduction from $1 million to $750,000. Moody's Analytics modeled the combined effect of these two tax reform provisions on home prices, and provided county-specific estimates. On average, New Jersey home values are estimated to decline by 8.5% from their peak.

17. Generally, the realty transfer fee is imposed upon the recording of deeds evidencing transfers of title to real property in the State. *See* N.J. Stat. Ann. 46:15-5, *et seq.* The realty transfer fee is based on the amount of consideration recited in the deed except when the value is indeterminable, in which case the fee is calculated on the assessed value of the property being conveyed on the date of the transfer adjusted to reflect the true value as determined by the average ratio of assessed to true value established for that municipality for the current year.

18. An additional assessment of one percent (1%) is generally imposed on buyers for an entire consideration recited in the deed in excess of $1 million for the following property (as defined in N.J.A.C. 18:12-2.2): residential (class 2); commercial properties (class 4A); a specified class of farm property (regular) (class 3A); and cooperative units.

19. The reductions in the realty transfer fee and the additional assessment on certain real property valued over $1 million for State fiscal years 2019 through 2020 due to the reduction

in property values forecast by Moody's are shown in the table below. The State fiscal year runs from July 1 to June 30 and is labeled for the calendar year in which the fiscal year ends. Thus, the State is currently in fiscal year 2018, and fiscal year 2019 will begin on July 1, 2018.

Estimate of Revenue Impact	FY 2019	
	Prior Law	2017 Tax Act
Realty Transfer Fee	$ 408,079,906	$ 378,821,193
Assessment on Real Property > $1.0 M	149,402,734	134,032,392
Total	$ 557,482,640	$ 512,853,585
Difference		*(44,629,055)*
Growth Rate		*-8.0%*

Estimate of Revenue Impact	FY 2020	
	Prior Law	2017 Tax Act
Realty Transfer Fee	$ 417,721,965	$ 372,932,239
Assessment on Real Property > $1.0 M	152,932,802	137,199,292
Total	$ 570,654,767	$ 510,131,531
Difference		*(60,523,237)*
Growth Rate		*-10.6%*

Estimate of Revenue Impact	Aggregate Impact	
	Prior Law	2017 Tax Act
Realty Transfer Fee	$ 825,801,871	$ 751,753,432
Assessment on Real Property > $1.0 M	302,335,536	271,231,684
Total	$ 1,128,137,407	$ 1,022,985,116
Difference		*(105,152,291)*
Growth Rate		*-9.3%*

20. As shown in the table above, the realty transfer fee and the additional assessment on certain real property value over $1 million are projected to decline by a combined total of $105.1 million, or 9.3%, from fiscal year 2019 through fiscal year 2020.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Respectfully submitted,

Martin Poethke

06/15/2018

Date