UFCW 400 Favorable Written Testimony for HB 172 (U

Uploaded by: Kayla Mock
Position: FAV

Testimony in Support of HB172

Income Tax – Determination of Taxable Income – Union Dues and Expenses to Influence Collective Bargaining

March 30, 2022

To: Honorable Chair Guy Guzzone, Vice Chair Jim Rosapepe, and members of the Senate Budget and Taxation Committee

From: Kayla Mock, Political Organizer

United Food and Commercial Workers Union, Local 400

Chair Guzzone and members of the Senate Budget and Taxation Committee, I appreciate the chance to share my testimony on behalf of our over 10,000 members in Maryland, working on the front lines of the ongoing pandemic in grocery, retail, food distribution, law enforcement, and health care. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers. Union members are critical to the addressing inequality and uplifting the middle class.

We strongly support HB 172 and urge you to vote it favorably. Unfortunately, most tax laws favor corporations as businesses as opposed to working people. By allowing union dues to be tax deductible, this directly impacts and improves the lives of working people in Maryland. It is a financial win for union members who do so much to protect and raise the standards for working people in our society.

Additionally, companies should not be allowed to write off union busting activities on their taxes. In an 2019 article by VICE titled, “U.S. Employers Spend Over $340 Million a Year Busting Unions,” they quote a report done by the Economic Policy Institute stating, “The report also provides important new information on the union avoidance industry, which includes anti-union law and consulting firms. According to new data, U.S. employers spend nearly $340 million each year on advisors that conduct ‘union vulnerability tests’ and provide companies with important recommendations for crushing union drives at their companies.” While certainly Maryland businesses spend a small slice of the national estimated union busting expenses, the morality of businesses being allowed to write off expenses that are used to break collective bargaining, organizing, or unionization effort is wrong. Companies should not be given incentives or breaks on monies spent to attack, demoralize, or break worker's rights to collectively bargain.

HB 172 would put more money into the pockets of essential union members, which is critically needed. It would additionally disallow tax write offs for company expenses of union busting.

For these reasons, on behalf of our members and all Marylanders, we urge you to vote favorably on HB 172.

Chartered by UFCW International Union • President Mark P. Federici • Secretary-Treasurer Christopher Hoffmann
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INTERNATIONAL ASSOCIATION OF
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March 29, 2022

Maryland Senate
Budget and Taxation Committee
Chair: Guy Guzzone
Vice Chair: Jim Rosapepe

TESTIMONY IN SUPPORT OF HB 172
Union Dues and Expenses to Influence Collective Bargaining

Heat and Frost Insulators & Allied Workers Local 24
Brian S Cavey, Business Manager
brian.cavey@insulators24.org

Chairman Guzzone, Vice Chair Rosapepe and members of the committee, on behalf of the 625 members of the Heat and Frost Insulators and Allied Workers Local 24, I respectfully submit this testimony in support of HB172 with an amendment.

In December 2017, the President signed the Tax Cuts and Jobs Act into law. Among its many faults, the act intensified a tax code double standard that further tilts the balance of power to management and against workers. The current inequity in the tax code is yet another example of our broken labor law system, employers, especially large corporations, have the upper hand at the negotiating table for many reasons, including their ability to fully write off, or deduct, management and legal costs, such as those involved in resisting unionization campaigns and negotiating with unions. In the meantime, workers, who are represented by the unions in these negotiations, cannot deduct the cost of the dues they pay to support the unions they have chosen for their representation. In other words, workers cannot deduct an important cost of earning their income, while employers can deduct the costs of maximizing their profits at the expense of workers.

Allowing a deduction for union dues would increase tax fairness for workers. The current tax treatment of union dues is not only fundamentally unfair but also inconsistent with basic income tax principles. The ability to deduct union dues would go along with a basic principle of taxation: that taxable income should not include the costs of earning that income.

Without a strong collective voice, workers are unable to make sure that they share in the profits they help to produce. Unions are a proven mechanism for workers to stand together and negotiate for the pay and benefits they deserve. Union dues are an indispensable and essential expense for workers in their pursuit of fair wages and benefits; all workers should be able to deduct them on their tax returns.

Our understanding is the House of Delegates amended this Bill to lower the tax deduction to $300. We urge an amendment to the Bill to return to its original language. We recommend a favorable vote on this legislation with this amendment. Thank you for your time and consideration.

Sincerely and Respectfully,

Brian S Cavey, Business Manager
Insulators and Allied Workers Local 24

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Uploaded by: Donna Edwards
Position: FWA

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HB 172 – Income Tax – Subtraction Modification – Union Dues
Senate Budget and Taxation Committee
March 30, 2022

SUPPORT WITH AMENDMENT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support of HB 172 – Income Tax – Subtraction Modification – Union Dues, with amendments. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

HB 172, as originally introduced in the House, would have restored the state tax deduction for union dues. Second, it would have stopped companies from being able to write off union-busting activities on their state taxes as business expenses. Unfortunately, the bill was amended in the House to remove language related to reigning in union-busting tax write offs, and it also set a limit on the union dues tax deduction to no more than $300 per year. Labor has been fighting for their members' tax deductions since the passage of the disastrous Tax Cuts and Jobs Act of 2017 took it away from them, and they have been fighting against anti-worker companies and the state's support of their anti-worker actions with favorable policy for even longer.

Labor is asking this committee to amend HB 172 to restore it to its original version. In a year when tax credits and tax cuts are being doled out by the billions, labor is confused as to why they are not being given the full tax deduction that they had for decades prior to the Federal government taking it away from union members in 2017. Moreover, it redounds to the benefit of all workers for the state to no longer reward bad companies for union-busting by allowing them to write if off as a business expense.

For these reasons we ask for a favorable report on HB 172, amended back to its original version.

HB 172 Testimony to Budget and Tax Committee..pdf
Uploaded by: Jeffry Guido
Position: FWA

Electrical Workers

Insulators

Boilermakers

United Association

Plumbers & Gas Fitters

Sprinkler Fitters

Steam Fitters

Roofers

Cement Masons

Teamsters

Laborers

Bricklayers

Ironworkers

Sheet Metal Workers

Elevator Constructors

Painters

Operating Engineers

Carpenters

Maryland Senate Budget and Tax Committee

Chair: Guy Guzzone

Vice Chair:

House Bill HB 172 Income Tax - Subtraction Modification - Union Dues

The Baltimore DC Metro Building Trades are asking that **HB 172 Income Tax - Subtraction Modification - Union Dues** be approved in its original text by removing the $300.00 cap and allowing the full dues payment be deducted from State taxes.

Most Union dues are not set at a specific dollar amount but are instead based on a percentage of wages earned, for example not to exceed 3% of 160 hours for a monthly dues rate. These rates are voted on by the membership and approved by majority vote to be put into the by-laws of the Local Union. These dues run the day to day business of the Local Union.

The American Labor movement has achieved and exceeded every Democratic Party platform goal for promoting and protecting American working families.

- Equal pay for equal work regardless of gender, race, ethnic or religious belief
- Health insurance for the worker and their dependents without precondition exclusions
- Defined benefit pension plans
- Full scholarship apprenticeship training with college credits

Democratic party platform approved by the Democratic National Convention on August 18, 2020.

1. **Protecting Workers and Families and Creating Millions of Jobs Across America**

Americans deserve an economy that works for everyone—not just for the wealthy and the well-connected. But our system has been rigged against the American people. Democrats believe that it is a moral and an economic imperative that we support working families by rebuilding the American middle class for the 21st century, making sure this time that everyone can make it and thrive, regardless of race, gender, sexual orientation, gender identity, disability status, national origin, age, or ZIP code.

2. **Raising Wages and Promoting Workers' Rights**

3. **Enacting Robust Work-Family Policies**

4. **Enacting Robust Work-Family Policies**

5. **Investing in the Engines of Job Creation**

6. **Leveling the Economic Playing Field**

7. **Reforming the Tax Code to Benefit Working Families**

Thank you, we ask for a favorable vote.

Party Platform - Democrats
https://democrats.org › Where we stand

Respectfully,

Jeffry Guido

Baltimore-DC Metro Building Trades Council

Value on Display... Everyday.

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Position: UNF

MARYLAND Association of COUNTIES

House Bill 172

Income Tax – Subtraction Modification– Union Dues

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: March 30, 2022

From: Kevin Kinnally

Tax Incentives and Local Government Autonomy

Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but county governments welcome flexible and optional tools to serve and react to local needs and community priorities.

The General Assembly routinely considers broad or targeted tax incentives to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals sometimes focus exclusively on the state's tax structure, but often extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

State tax incentives should be enacted as "local option" offerings to allow counties maximum flexibility in tailoring local policies to meet local needs and priorities. The State and its local governments already work together here – where the State routinely grants a state-level property tax credit, but then enables county governments to enact their own as a local option.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives, but resist state-mandated changes that preclude local input.