

TESTIMONY FOR HB 172

Bill Sponsor: Delegate Luedtke

Committee: Ways and Means

Organization Submitting: Lower Shore Progressive Caucus

Person Submitting: Sam Harvey

Position: FAVORABLE

I am submitting this testimony in favor of HB 172 on behalf of the Lower Shore Progressive Caucus. The Caucus is a political and activist organization on the Eastern Shore, unaffiliated with any political party, committed to empowering working people by building a Progressive Movement.

Lower Shore Progressive Caucus members appreciate the heritage of labor movement activists, the gains dearly bought, tenuously preserved. There is a sense of besiegement. Many workers are already worn out by the expectation that they should put the job ahead of every other aspect of their lives – family, personal fulfillment, rest – health. They must surely feel further fatigued by a lack of solidarity, from those beguiled by the idea that the extraction of maximum profit from labor will somehow, someday, prove to benefit them, members of the working class themselves.

The past several decades provide a picture in stark contrast to this dream of a capitalistic utopia, where the largesse of our economic plutocrats remains stubbornly unforthcoming. Rather, workers have endured years of slow wage growth – especially galling in the light of soaring inequality.

It therefore seems mysterious that the Tax Cuts and Jobs Act of 2017 removed union members' ability to deduct union dues from their taxable income – while simultaneously allowing businesses to deduct the cost of hiring union-avoidance consultants from their taxable profits. It is incredible that moneyed, empowered, interests have been able to enact policies that effectively discourage collective bargaining. The ability to freely associate with one's fellow citizens, to collectively choose individuals from among that number to represent the group's interest, should rank among the most sacred and protected of rights. Unfortunately, here we see the exact opposite.

Policy like this leaves average taxpayers effectively subsidizing union-busting efforts. Yet research suggests our growing inequality brings with it a host of social problems – lower levels of happiness and health – even lower economic growth. Nothing can be wrong with working people talking to each other, and uniting behind collective decisions toward the betterment of their lives. And via that collective bargaining, unions reduce income inequality - unequivocally.

HB 172 recognizes and rewards the good that unions do, and seeks to reflect that in the tax code. For this reason, the Lower Shore Progressive Caucus supports this bill and recommends a **FAVORABLE** report in committee.