



SEIU MARYLAND & DC STATE COUNCIL

1410 Bush Street, Suite F, Baltimore, Maryland 21230

Testimony in **SUPPORT of HB 172**

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

House Appropriations and Ways & Means Committees

January 18, 2022

11:00 am

Presented to: Vanessa E. Atterbeary, Chairman

By: Terry Cavanagh, Executive Director

SEIU Maryland & DC State Council urges a **Favorable Report to HB 172.** We commend Majority Leader Luedtke for sponsoring this important legislation.

With over two million members, SEIU is the largest labor union in North America. We are uniting workers in the health care, public services, and property services sectors to improve lives and the services we provide. In the Maryland, Washington, DC, and Virginia area, we represent over 50,000 workers.

This bill addresses the use of anti-union or union-busting campaigns (a.k.a. “union avoidance”) and how businesses bill the public through their taxes to pay for it as well as restoring the right of workers to deduct the payment of union dues from their taxes.

Workers face a choice on whether to organize and be represented by a labor organization for the purposes of collective bargaining. That choice is theirs. An employer should be neutral in this decision by the workforce. To have an employer interfere in a decision that should be left to workers is bad enough. Having taxpayers foot the bill is worse.

We applaud the creative and logical approach of decoupling from the federal tax code and not allowing deductions for expenses related to union avoidance. We believe the federal tax code should be re-written so that workers, through our tax system, are not underwriting the very campaigns being waged against them. Recent studies have shown that a significant majority of workers, if given a free choice, would opt for union representation and collective

bargaining. The choice should be theirs. Employers who engage in anti-union, union avoidance or union busting campaigns, may claim they are only using their right to free speech. However, that is not sufficient reason to allow a deduction for the cost of running such campaigns.

Until such time as the federal tax code is changed and, perhaps as a spur to bring about that change, we favor amending the code in Maryland to disallow those deductions.

The second part of this bill restores the right to deduct the payment of union dues from workers' taxes. We think this is fair and would also work to give a tax break to working Marylanders.

We ask a Favorable Report on HB 172. Thank you.