

Testimony SUPPORT of House Bill 179
Income Tax – Subtraction Modification – Union Dues

House Ways and Means Committee
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Government Relations

The Maryland State Education Association supports HB 179, which would allow a subtraction modification on state income taxes for union dues.

MSEA represents 75,000 educators and school employees who work in Maryland’s public schools, teaching and preparing our 896,837 students for careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

As a part of 2017’s Federal Tax Cuts and Jobs Act, President Trump eliminated workers’ ability to deduct union dues from their federal adjusted gross income. This codified into federal law a disparity between which business expenses are deductible and which are not. Now, in many cases management has the right to deduct expenses that workers do not. This creates even more unfairness in an already up-side-down tax structure, where working people pay a larger share than the wealthy.

In reaction to the change at the federal level, some states have allowed deductions on state income taxes for union dues. These states include New York, Minnesota, Hawaii, and Pennsylvania. Maryland should pass this bill to send a clear message to workers that they are appreciated and valued.

Maryland educators have been working extremely hard through the pandemic, and many of our education support professionals were the first ones back in the buildings when they closed. This bill would help lessen the financial burden on those hard-working individuals.

MSEA urges a favorable report of House Bill 179.