



INTERNATIONAL ASSOCIATION OF
**Heat & Frost Insulators
& Allied Workers**
Local 24
Baltimore-Washington, DC

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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
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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,

A handwritten signature in blue ink, appearing to read "Brian S. Cavey", with a large, sweeping flourish at the end.

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