MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Office. (410) 269-1940 • Fax (410) 280-2956

President
Donna S. Edwards

Secretary-Treasurer
Gerald W. Jackson

HB 172 – Union Dues and Expenses to Influence Collective Bargaining
House Ways and Means Committee
January 18, 2022

SUPPORT

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 – Union Dues and Expenses to Influence Collective Bargaining. 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 brings a subtraction modification back for union dues, for state income tax calculation. Unionized workers are our teachers, firefighters, and our police and corrections officers. They are our transportation workers, social workers, nurses, paraprofessionals, skilled construction workers, and the essential workers that have kept our state afloat during the COVID-19 pandemic. Changes in the federal tax system with the passage of the Tax Cuts and Jobs Act of 2017, eliminated union dues as an itemized deduction for miscellaneous expenses. Because of Maryland's tax laws, union members cannot itemize an expense for State income tax purposes if the expense cannot be claimed as a federal itemized deduction. Therefore, union members in Maryland have taken a double hit; first by the Federal government, and then by the State of Maryland.

When we can help mitigate the damages done by the Federal government, we should. HB 172 will allow for a subtraction modification of union dues (subtracted from federal adjusted gross income), at the State level, therefore lessening the tax burden for Maryland's union members, and, ultimately, reversing, in part, the damage done by the Tax Cuts and Jobs Act of 2017.

But how do we pay for it? Under current law, Maryland allows companies to deduct from their taxes, the costs incurred for union-busting on the job site. Workers, through their income taxes, are subsidizing businesses' expenses to deny the right to collectively bargain to other workers. Workers are paying businesses to hurt workers. This is a perverse situation that is not only morally reprehensible, but costs all of us through decreased tax revenue. HB 172 corrects this, by removing this deduction for state tax purposes. If businesses want to engage in union-busting in Maryland, they should not expect to be subsidized with the tax dollars of workers to do so. Moreover, ending this ridiculous practice will provide the state with greater revenue, allowing us to restore, once again, the much needed and well-deserved tax cut for Maryland's workers.

For these reasons we ask for a favorable report on HB 172.