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Give Me A (Tax) Break: Union Dues Changes And More On The Horizon

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Now that the infrastructure bill has passed the Senate, a \$3.5 trillion spending bill is being crafted. There are several pro-union provisions being contemplated in that legislation which employers will want to keep an eye on.

According to a [report from Bloomberg Law](#):

“Senate Democrats are forging ahead with budgetary plans to create tax incentives for union membership and penalties for employers that violate workers’ union rights, according to three sources involved in the process. Senate Majority Leader Chuck Schumer (D-N.Y.) unveiled instructions Monday that a \$3.5 trillion budgetary package is intended to fund ‘pro-worker incentives’ and ‘labor enforcement and penalties,’ without divulging other details or providing specific text.”

What types of incentives may this massive bill offer to encourage employees to form or join unions? Tax breaks for union dues. This likely would come in the form of a tax credit or deduction. Under current law, no such credit or deduction exists for union dues. Often, employees are hesitant to unionize because the cost of union dues can be excessive, particularly for low-wage workers. If this becomes the law, it could remove a major impediment for some workers when it comes to union organizing.

Democrats also apparently are looking to expand ways in which companies

can be punished for labor law violations. Specifically, they are considering civil and monetary penalties for employers who are found to unlawfully interfere with employees' unionization or collective bargaining efforts. Under the National Labor Relations Act – the law that governs such matters in the private sector – there are no such remedies available.

Notably, this appears to be an attempt to backdoor at least [some provisions of the PRO Act](#), which currently lacks enough Senate support to become law. That legislation would, among other things, create monetary penalties for companies for labor law violations as well as impose personal liability on certain company officials in some circumstances. Senator Bernie Sanders previously indicated Democrats would [use a spending bill as a guise](#) to push through certain parts of the PRO Act, including potentially making right-to-work laws unlawful. His prediction may be coming to fruition.

Accordingly, this “spending bill” is one to watch from a labor relations perspective. Employers beware.