

## Tax Breaks For Union Members Despite New York's Financial Problems

April 14, 2017 | [Unions And Union Membership](#), [Labor And Employment](#)



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New York's Legislature is giving union dues payers a tax break. While a number of states (and even municipalities) have passed [right-to-work laws](#) so union workers do not have to forcibly pay union dues, New York has taken a decidedly different approach. On April 10, New York passed a law allowing union dues and agency fees to be completely tax deductible, effectively giving a tax break to union members. New York's union "dues deduction" measure was included in the 2017 overall budget bill. The bill also provided \$160 million in wage increases for some direct car workers and changes to the state's workers compensation law and prevailing wage law, which were other union supported measures. The dues and agency fee provisions of the new law allow union members who do not itemize deductions to deduct these union membership related payments. Not surprisingly, the measure was supported and lobbied for by local union leaders and the AFL-CIO, and apparently for good reason. The president of New York's AFL-CIO estimates the new law will result in at least \$35 million dollars being returned to New York's union members' pockets. As the law results in a significant tax cut for a distinct population of New York residents, union members, it raises other questions: how will the other increases in the law be paid for and how will the state make up lost tax revenue returned to union members? Given that New York reported an official debt of \$52 billion in 2016 and in a 2016 study New York ranked 42nd among the U.S. states and Puerto Rico for its fiscal health, these are not trivial observations. Putting all this aside, the change in the law clearly targets blue collar workers, a constituency Democrats and unions are making renewed efforts to reconnect with following President Trump's election win. Looked at this way, maybe it's just one more instance of good old fashioned politics.

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