



IAM
UNION

International Association of Machinists
& Aerospace Workers

CONGRESS SHOULD STOP TAX BREAKS FOR UNION BUSTING

Position: The IAM Union supports the legislation **No Tax Breaks for Union Busting (H.R. 2692/S. 1310)**, also known as NTBUB, which would amend federal tax laws to end deductions for the expenses that companies accrue in efforts to dissuade or coerce their workers from exercising their collective bargaining rights. The bill has been introduced in the Senate by Sen. Ben Ray Lujan (D-NM), and in the House by Reps. Donald Norcross (D-NJ), Judy Chu (D-CA) and Brendan Boyle (D-PA).

The NTBUB bill would:

- Classify business' interference in worker organization campaigns as political speech under the tax code and therefore not tax deductible.
- The legislation would also establish IRS reporting requirements for employers who intervene in protected labor activities.

The legislation is long overdue. It's unfair that corporations get public subsidies (tax breaks) to hire persuaders (consultants) to convince workers to not exercise their rights to form a union and collectively bargain. These companies like Amazon can simply write them off as a business expense, which is therefore eligible for a tax deduction.

A March 2023 report by the Economic Policy Institute (EPI) found that companies spent about \$433 million annually on union-busting activities, including the hiring of outside consultants. The report adds that consultants reported "being paid \$350-plus hourly rates or \$2,500-plus daily rates for their work to defeat union organizing efforts."

These millions are often spent for companies to violate federal labor law. A 2019 report by EPI concluded that employers were charged with violating federal laws in nearly 42 percent of all union election campaigns in 2016 and 2017. That included actions such as coercion, threats, and retaliation.

IAM Union International President Brian Bryant recently applauded the introduction of this legislation:

"Union busting, or union avoidance campaigns, have a chilling impact on workers' ability to exercise their right to freely form and join unions," Bryant said. "This legislation would end the taxpayer subsidization of these anti-union, anti-American campaigns."

The IAM urges you to support and co-sponsor the No Tax Breaks for Union Busting Act (H.R. 2692/S. 1310).