



Tax Breaks for Workers Who Raise Wages, Cut Economic Disparity, and Go to Work S. 1157 / H.R. 2549, the Tax Fairness for Workers Act

The members of the United Steelworkers know the value of labor unions in the workforce. As leaders in their communities, the effort and resources that they put into increasing pay, benefits, and quality of life should be recognized by Congress. A simple way for Congress to recognize current union workers' contributions to the common good is to provide an above-the-line union dues tax deduction.

S. 1157 / H.R. 2549, the Tax Fairness for Workers Act, creates an above-the-line tax deduction. This allows workers to claim the tax credit without itemizing their taxes. Since only around 30 percent of tax filers itemize deductions, workers employed in various professions and earning various wages would benefit from this legislation.

Unionized workers, on average, make 11.2 percent more in wages than non-unionized peers. Put another way, nonunion workers made just 81 cents for every dollar that union workers made.^{1 2} Congress should recognize these economic benefits by restoring and improving a tax deduction for union dues. Unions often raise wages, even when they do not represent workers in an industry. Efforts to organize a workplace often lead to employers raising wages, whether the workers form a union or not.³ This tax break also rewards workers who regularly go to work, as dues are often tied to hours worked.

The Tax Fairness for Workers Act will benefit all workers, but it is important to note that minority workers will also benefit. Collective bargaining boosts wages for Black and Hispanic workers. Black workers – both men and women – are more likely than white workers to be covered by collective bargaining, and the wage boost they get from being covered by collective bargaining is 13.1 percent, which is higher than the 10.2 percent average wage boost for unionized workers overall according to the Economic Policy Institute.⁴

Congress should incentivize collective bargaining in every way possible. The Tax Fairness for Workers Act is one small recognition that workers who band together, in order to create strong contracts that raise wages and reduce inequality, should be rewarded.

United Steelworkers urges all members of Congress to co-sponsor S. 1157/H.R. 2549 and move to pass the legislation.

Current Co-Sponsors in the Senate – Baldwin (WI), Bennet (CO), Brown (OH), Casey (PA), Cortez-Masto (NV), Gillibrand (NY), Klobuchar (MN), Menendez (NJ), Merkley (OR), Murray (WA), Padilla (CA), Sanders (VT), Schumer (NY), Smith (MN), Stabenow (MI), Van Hollen (MD), Warren (MA), Whitehouse (RI)

Current Co-Sponsors in the House – Axne (IA-03), Brown (MD-04), Brownley (CA-26), Chu (CA-27), DeSaulnier (CA-11), Doyle (PA-18), Garamendi (CA-03), Hayes (CT-05), Lamb (PA-17), Levin (MI-09), Lowenthal (CA-47), Meng (NY-06), Norcross (NJ-01), Norton (DC-AL), Pocan (WI-02), Roybal-Allard (CA-40), Ruppertsberger (MD-02), Scanlon (PA-05), Sherrill (NJ-11), Soto (FL-09), Suozzi (NY-03)

¹ [Economic Policy Institute](#), “Union workers are paid 11.2% more and have greater access to health insurance and paid sick days than their nonunion counterparts”, August 25, 2020

² [CNBC](#), “Union enrollment has declined for decades, but union workers still earn 19% more”, February 5, 2021

³ [Great Lakes Organizing Committee - USW](#)

⁴ [Economic Policy Institute](#), “Unions help reduce disparities and strengthen our democracy”, April 23, 2021