No Tax Breaks for Union Busting Act

U.S. Senators Bob Casey, Ron Wyden, Patty Murray, Chris Van Hollen, Cory Booker

For decades, the deck in Washington has been stacked against workers. Corporate profits have risen at record rates, while far too many workers struggle to make ends meet. Union membership has drastically decreased as corporations use anti-unionization tactics and have successfully lobbied Washington to tilt labor laws in their favor. One way that corporations are benefitting is through the tax code. When workers try to organize and form a union to raise their wages and working conditions, corporations spend millions of dollars to dissuade or coerce their workers, including using unlawful labor practices, and claim these expenses as run-of-the-mill business tax write-offs.

The No Tax Breaks for Union Busting Act would end the taxpayer subsidization of anti-union activity by corporations. The bill would classify business’ interference in worker organization campaigns as political speech under the tax code and therefore not tax deductible. The set of activities denied a deduction would include both unlawful attempts to influence employees, such as violations of the National Labor Relations Act, and lawful activities that nonetheless should not be subsidized by taxpayers, such as so-called “captive audience meetings” and million-dollar anti-union advertising campaigns around union organization elections.

No Tax Breaks for Union Busting Act also establishes an IRS reporting requirement for employers who intervene in protected labor activities. Only a small portion of this activity is even reported to the Department of Labor currently, but it amounts to $340 million annually, according to a recent report.¹

Employer Interference in Union Elections is Rampant

Despite the clear intent of Congress to grant workers full control over decisions to unionize, employers regularly choose to interfere—lawfully or unlawfully—with workers’ right to organize. Employers are charged with violating labor laws in approximately four of every 10 organization elections. Employers spent $340 million yearly just on consultants who attempt to influence workers’ free choices to exercise their rights, plus untold millions more on advertising campaigns and “captive audience” meetings around union elections.

Unfair labor practices often include employees being illegally fired for labor organization activity, refusal to bargain in good faith with unions, arbitrary and unfair changes to working conditions or coercion and intimidation. They are related to other coercive (but not illegal) practices such as captive audience meetings, hiring anti-union consultants, workplace surveillance and advertising campaigns.

¹ https://www.epi.org/publication/unlawful-employer-opposition-to-union-election-campaigns/