

The **NO** TAX BREAKS ★★★ For **UNION BUSTING** Act

THE FACTS

The National Labor Relations Act states that it is “the policy of the United States [to] encourag[e] the practice and procedure of collective bargaining and [to] protect the exercise by workers of full freedom of association.”

Workers often cite unsafe working conditions, low wages, scheduling issues, and more as reasons they feel the need to form a union.

Despite the clear intent of Congress that workers have the right to freely organize, **corporations regularly interfere in unionization efforts**, both legally and illegally. Commonly used tactics include illegally firing pro-union workers, holding captive audience meetings, preventing union organizers from communicating with workers, and using corporate communications to spread anti-union advertising.

THE PROBLEM

The U.S. Tax Code incentivizes coercive behavior that runs counter to the spirit of the law as laid out in the National Labor Relations Act by allowing corporations to deduct union-busting expenses from their taxes.

A basic principle of income taxation is that the costs of earning that income should be excluded from taxation. **That is why businesses are allowed to deduct the ordinary and necessary costs of business, including rent and payroll.**

This contrasts with business expenses on advertisements and campaigns around elections, which are not tax deductible.

Employing interference tactics in the lead-up to an election (e.g., marketing campaigns attempting to persuade workers to vote against exercising rights guaranteed by the National Labor Relations Act) **is outside the ordinary and necessary costs of conducting business.**



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THE SOLUTION



The No Tax Breaks for Union Busting Act reclassifies corporations' spending on anti-union campaigns as political speech

rather than an "ordinary and necessary" business expense, ensuring that taxpayers no longer subsidize corporations' anti-union efforts.

Additionally, the No Tax Breaks for Union Busting Act **establishes an IRS reporting requirement for employers who intervene in protected labor activities,** so we can understand just how many resources are devoted to blocking unionization.

Workers cannot deduct union dues from their taxes, so the No Tax Break for Union Busting Act **equalizes the treatment of employers and employees** by making spending around union elections and collective actions nondeductible.