



BLET Update on “No Taxes on Overtime” Provision For Membership

BLET TO LAUNCH A FUTURE LEGISLATIVE CAMPAIGN TO FIX THE “NO TAXATION ON OVERTIME” SECTION IN THE OBBB

Following President Trump’s promise during the 2024 Presidential Campaign that workers would not be taxed on their overtime pay, the BLET and the Teamsters Rail Conference worked to ensure that the details of that promise would cover all BLET Members and the overtime pay they earn.

The BLET worked with Senator Roger Marshall (Kansas) to create language with respect to “No Taxation On Overtime” that would cover rail workers, including BLET members. Senator Marshall’s language allows any worker covered by the Fair Labor Standards Act (FLSA) or a collective bargaining agreement (CBA) to exclude up to \$20,000 of their overtime pay from taxes if they earn under a specified income threshold.

When the Reconciliation legislation was introduced, “the One Big Beautiful Bill” (OBBB), rail workers were not included in the section on “No Taxation on Overtime”. That is because the CBA language from Senator Marshall’s legislation that covered rail workers and other workers not covered by FLSA was not included in the Reconciliation legislation.

As the Senate geared up to consider the reconciliation legislation, BLET, working with other unions, got Senator Maria Cantwell (Washington State), who is the ranking Member of the Senate Commerce Committee, to introduce an amendment that would fix the “No Taxation On Overtime” section to include rail workers and other RLA covered workers. The amendment specifically covers RLA workers when it comes to overtime.

BLET President Mark Wallace and the entire National Division leadership team want to thank the 7,265 members who responded quickly to the BLET’s Take Action and contacted their Senator, asking them to support the Cantwell amendment. Unfortunately, the Senate, during the floor debate over the reconciliation legislation, did not allow Senator Cantwell’s amendment to be considered or voted on, despite voting on more than 40 other amendments.

The Senate version of the OBBB Act excludes rail workers from the “No Taxation on Overtime” section. And BLET does not expect the House to fix that section before sending the legislation to President Trump to be signed into law.

After the OBBB is signed into law, BLET will launch a future legislative campaign to fix the “No Taxation on Overtime” section so that BLET members can benefit from these same provisions as other workers covered by the FLSA.