

# LIRR Workers Left Out of Overtime Tax Break: Union Pushes for Fix

By Randi F. Marshall | Newsday Staff Writer

President Donald Trump hailed the passage of the One Big Beautiful Bill Act as a win for working Americans — promising relief from federal taxes on overtime pay. But for Long Island Rail Road employees, the reality is far different.

While New York City Transit workers will benefit from the tax exemption, LIRR and Metro-North Railroad employees are excluded due to their coverage under the federal Railway Labor Act — a legacy classification from the systems' days as private companies. NYC Transit, not subject to that federal framework, falls under a separate set of rules, allowing its workers to reap the bill's tax-saving benefits.

The exclusion has sparked a wave of criticism from unions and lawmakers alike. The SMART Transportation Division, which represents the largest number of LIRR workers, attempted to secure an amendment to the bill prior to its passage. That effort, led by Senator Maria Cantwell (D-Washington), failed to reach the Senate floor in time.

"This was to them small potatoes, but to us it's very important," said Anthony Simon, SMART's general chairman and a prominent voice for more than 3,000 LIRR workers. "We're not going to give up on it."

Simon and leaders from more than 20 national unions — including those representing airline workers, marine engineers, railroad signalmen, and seafarers — have signed a joint letter to congressional leadership. The letter urges lawmakers to correct what they call a "technical error" in the tax code, arguing that the bill unfairly uses "arbitrary formulas" to determine who qualifies for the overtime exemption.

"The timing just wasn't in our favor," Simon said. "But we're still looking to do it. That's for sure."

The union effort has drawn bipartisan attention on Capitol Hill, particularly from lawmakers representing Long Island — where railroad workers are a vital part of the region's labor force.

Rep. Nick LaLota (R-Bay Shore) pointed to his support for expanding the state and local tax (SALT) deduction, saying, "Now I'm focused on delivering relief for those earning more through overtime."

Rep. Andrew Garbarino (R-Sayville) called the exclusion "an oversight," adding, "LIRR workers quite literally keep Long Island moving, and we need to make sure they're not left behind."

Rep. Tom Suozzi (D-Glen Cove) criticized the partisan process that pushed the bill through. "The exclusion of rail and aviation workers doesn't make sense," he said. "I will work with my colleagues across the aisle to try to fix this."

Rep. Laura Gillen (D-Rockville Centre) was even more direct: "Once again, the GOP's tax bill offers illusory benefits but fails to deliver real relief. This disastrous bill is a slap in the face to the men and women of labor."

Despite the legislative setback, union leaders are pressing forward. The growing chorus of support from lawmakers and national unions could set the stage for a potential amendment or standalone bill — though its timeline remains uncertain.