



Myth: Immigrants do not pay taxes

Fact:

- When it comes to paying Social Security, immigrants pay more than U.S.-born citizens. Immigrants annually pay \$1,011 in Social Security, or FICA taxes while U.S. born citizens pay \$881.¹ The National Research Council estimated in 1997 that “the average immigrant paid nearly \$1,800 more in taxes than he or she cost in benefits.”²
- All immigrants, regardless of status, will pay on average \$80,000 per capita more in taxes than they use in government services over their lifetime.³ Between one-half and three-quarters of undocumented immigrants pay federal and state income taxes, Social Security taxes, and Medicare taxes. Moreover, all immigrants (legal and undocumented) pay sales taxes.⁴
- A study conducted by the National Research Council has shown that due to contributions by immigrants, the total net benefit to the Social Security System will be nearly \$500 billion.⁵ This is so because in order to get jobs, many undocumented immigrants use false Social Security numbers. As a result they pay into the Social Security system for benefits they will never receive.
- Undocumented immigrants pay income taxes without ever filing a return to determine whether they have overpaid.⁶ As a result, recent estimates indicate that \$7 billion remains unclaimed annually from taxes withheld from these workers' paychecks.⁷
- Immigrants prop up the U.S. Social Security system. “Retiring baby boomers are dependent upon the immigrant labor force to ensure that Social Security remains solvent. The conservative trustees of the Social Security system have reported that more than 1 million immigrants a year are needed to enter the U.S. labor market to sustain the Social Security system.”⁸
- A 2006 study by the Texas State Comptroller found that “the absence of the estimated 1.4 million undocumented immigrants in Texas in fiscal 2005 would have been a loss to our gross state product of \$17.7 billion. Undocumented immigrants produced \$1.58 billion in state revenues, which exceeded the \$1.16 billion in state services they received.”⁹
- A 2007 study by the Oregon Center for Public Policy estimated that undocumented immigrants in Oregon pay state income, excise, and property taxes, as well as federal Social Security and Medicare

¹ Thomas D. Boswell, June Nogel, Rob Paral, Richard Langendorf, "Facts About Immigration: Asking 'Six Big Questions' for Florida and Miami-Dade County." Published by the University of Florida, November 2001.

² James P. Smith & Barry Edmonston, eds., *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration*. Washington, DC: National Research Council, National Academy of Sciences Press, 1997, pp. 220, 353.

³ Smith, J.P. and B. Edmonston, *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration*. Washington, DC: National Academy Press, 1997. Quoted from NCLR (2006). *Common Myths About Undocumented Immigrants*, <http://www.nclr.org/section/publications/>.

⁴ The White House, *Economic Report of the President*, February 2005, p. 107; Eduardo Porter, “Illegal Immigrants Are Bolstering Social Security With Billions,” *New York Times*, April 5, 2005.

⁵ James P. Smith, "The New Americans: Economic, Demographic, and Fiscal Effects of Immigration." National Research Council, National Academy of Sciences. National Academy Press, 1997.

⁶ The Washington Post. <http://www.washingtonpost.com/wp-dyn/content/article/2006/06/04/AR2006060400965.html>

⁷ *New York Times*, April 5, 2005, quoted from Puente S. and Ortiz, V. Sun Time Op Ed “U.S. economy owes much of its success to immigrants”.

⁸ “2006 Old-Age Survivors Insurance and Disabilities Report”, Quoted from Puente S. and Ortiz, V. Sun Time Op Ed “U.S. economy owes much of its success to immigrants”.

⁹ Carole Keeton Strayhorn, Texas Comptroller, *Special Report: Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy*. Austin, TX: December 2006, p. 1.



taxes, which "total about \$134 million to \$187 million annually." In addition, "taxes paid by Oregon employers on behalf of undocumented workers total about \$97 million to \$136 million annually."¹⁰

- A 2007 study by the Iowa Policy Project concluded that "undocumented immigrants pay an estimated aggregate amount of \$40 million to \$62 million in state taxes each year." Moreover, "undocumented immigrants working on the books in Iowa and their employers also contribute annually an estimated \$50 million to \$77.8 million in federal Social Security and Medicare taxes from which they will never benefit."¹¹

¹⁰ Oregon Center for Public Policy, *Undocumented Workers Are Taxpayers, Too*. Silverton, OR: April 10, 2007, p. 4

¹¹ Beth Pearson & Michael F. Sheehan, *Undocumented Immigrants in Iowa: Estimated Tax Contributions and Fiscal Impact*. Mount Vernon, IA: Iowa Policy Project, October 2007, pp. 30-31.