



[About Us](#) • [Issues](#) • [Facts](#) • [Take Action](#) • [Newsroom](#) • [Join or Give](#) • [Contact Us](#) • [Site Map](#)

<a href="#">Press Releases</a>
<a href="#">Opinion Releases</a>
<a href="#">Recent Advertising</a>
<a href="#">Media Coverage</a>
<a href="#">Newsletters</a>
<a href="#">Media Resources</a>
<a href="#">Events</a>
<a href="#">Letters</a>
<a href="#">Home</a>

## A Presumption That Taxes Probability

*By Randy Alcorn  
September 2007*

Among the repertoire of rationalizations repeatedly presented by supporters of illegal immigrants to convince the American public that illegal immigrants are beneficial to America is the one that asserts illegal immigrants are hard working people who pay their fair share of taxes. While it is empirically true that illegal immigrants are hard working, the presumption that they pay their fair share of taxes is not as visibly verifiable or probable.

Illegal immigrants find jobs in America because they will accept significantly lower wages than those paid to the workers they replaced. There are now so many illegal immigrants from Mexico working in America that the amount of money they send back to their homeland is second only to oil exports as a source of revenue for Mexico. How do such poorly paid workers manage to funnel so many billions of dollars, annually, to Mexico?

While many of them save money by living with severe frugality, that is not the only explanation for their ability to transfer so much money back home. Another likely contributing explanation is that they do not pay an appropriate level of income taxes. Meanwhile, they freely benefit from taxpayer provided social services and from legally mandated medical care from American hospitals and clinics. Imagine how much more income we would all have if we did not have to pay income taxes, and our medical care were free.

Although illegal immigrants pay billions of dollars in Social Security taxes, Social Security taxes are not the main source of revenue for state and federal government—income taxes are. Employers are legally required to withhold Social Security taxes and certain state taxes, such as disability insurance, from all employees but they are not required to determine the legitimacy of the income tax withholding status their employees claim. So, while illegal immigrant workers have less opportunity to avoid Social Security tax withholdings, they do have opportunity and motivation to avoid income tax withholdings.

The goals of many illegal workers are to support family in Mexico and to return there with enough money to live in better conditions. To realize these goals they must make as much money as possible in the U.S. and send as much of it as possible back home. They can accomplish these goals more quickly by not paying income taxes in the U.S.

How do they get away with not paying their income taxes? Since so many of them are migratory and change their identification documents as needed, they are unlikely to be tracked down by the revenue authorities, and, therefore, can avoid having their wages garnished for unpaid taxes. By the time the IRS reconciles W-2s to tax returns and finds that there are wage earners who have not filed tax returns, the illegal immigrant workers will have moved on or changed identities.

After employers submit annual W-2s to state and federal revenue agencies, incorrect Social Security numbers are detected, usually by the Social Security Administration, which in a recent year found 9 million incorrect numbers. Not surprisingly, most of these bogus numbers came from states having large Hispanic immigrant populations and from workers employed in industries notorious for employing Hispanic immigrants.

Although employers are notified of the incorrect Social Security numbers, illegal workers either provide another phony number or move on to new employers where the cycle of deception begins anew. This game may soon come to a grinding halt now that Homeland Security has promulgated stricter regulations requiring that employers consult a federal database to verify employee identification.

Because state and federal revenue agencies are not required to share information with immigration authorities, illegal aliens can file tax returns with little risk of being detected by

**TAKE ACTION NOW!**

 

Enter Zip Code

immigration enforcement agents. But, it is more advantageous for the illegal immigrant worker to claim a large number of exemptions or to claim tax exempt status so that little if any income taxes are withheld, and then file a false return or forego filing a return altogether.

By definition illegal immigrants have already broken America's immigration laws, why then would they bother to honor America's complex tax laws? The labyrinthine IRS code, while requiring that non-resident aliens file tax returns, has special rules regarding these aliens. It is doubtful that the average illegal immigrant knows of or cares to comply with those rules. For example, non-resident aliens are allowed to claim exemptions for their dependent children, but only if those children have lived with the taxpayer in the U.S. for more than 6 months of the year. Illegal immigrants with dependents permanently residing out of the U.S. would not qualify for the dependent exemption.

So, even if an illegal immigrant worker, who in order to reduce tax withholdings had claimed exemptions for dependents living in Mexico, decided to file tax returns, he or she would likely have a larger tax liability than expected. What are the odds that he or she would come up with the money to pay the additional tax bill after the IRS denied the non-qualifying exemptions? And, if the illegal alien falsely claimed that the dependents did live in the U.S., he or she would still be evading his or her fair share of taxes.

While some of the estimated 12 million illegal immigrants living in the U.S. do pay their appropriate income taxes, there are many whose reasons for being here in the first place make it highly unlikely that they will volunteer to pay income taxes in the U.S.

By evading taxes, benefiting from taxpayer provided services, and undermining the wage scale of legal workers, it is highly unlikely that illegal immigrants are a net benefit to most Americans. A study by the Center for Immigration Studies calculated that illegal immigrants received more than \$10 billion in government services than they paid in taxes. Ultimately, the net benefit of illegal immigrants working in the U.S. accrues to Mexico, to the illegal immigrants, and to those American employers who take advantage of the cheap labor these illegal immigrants provide.

The practice of federal and state revenue agencies of not sharing information with the U.S. Immigration and Customs Enforcement agency and with the Social Security Administration indicates government's passive complicity in allowing illegal immigration to continue. It is a good bet that if incorrect Social Security numbers were compared with tax filing information it would reveal that holders of the counterfeit numbers have either failed to file or have claimed a very high number of exemptions. Ironically, the government would derive more income taxes from legal workers earning higher wages than from illegal immigrant workers earning low wages and evading taxes.

*Randy Alcorn is a Senior Writing Fellow for Californians for Population Stabilization (CAPS), [www.capsweb.org](http://www.capsweb.org), and can be reached at [info@capsweb.org](mailto:info@capsweb.org) or [randyalcorn@verizon.net](mailto:randyalcorn@verizon.net).*

---

[Home](#) | [About Us](#) | [Issues](#) | [Facts](#) | [Take Action](#) | [Newsroom](#) | [Join or Give](#) | [Contact Us](#) | [Site Map](#)

(805) 564-6626 [info@capsweb.org](mailto:info@capsweb.org)  
Copyright © 2007, Californians for Population Stabilization (CAPS)  
All rights reserved