

Sign Up

Donate Now →



Home / Blog / Immigrants Contribute Billions to Federal and State Taxes Each Year

Immigrants Contribute Billions to Federal and State Taxes Each Year

Published: April 15, 2024

Author: Steven Hubbard

Topics: [Immigration 101](#), [Tax Contributions](#), [Economics](#)

Share:



Sign Up

Donate Now →



The American Immigration Council is a non-profit, non-partisan organization. [Sign up to receive our latest analysis as soon as it's published.](#)

Without fail, each Tax Day a prevalent myth resurfaces that conceals the truth about immigrants' contributions to federal, state, and local taxes. Bolstered by social media and other outlets, it misleadingly asserts that immigrants, particularly those who are undocumented, evade taxes. The facts don't back up these claims.

Immigrants, including undocumented immigrants, pay taxes. Our analysis of the [2022 American Community Survey \(ACS\)](#) found that immigrants in the United States have a combined household income of \$2.1 trillion and contribute \$382.9 billion to federal taxes and \$196.3 billion in state and local taxes, leaving them with \$1.6 trillion in spending power.

Sign Up

Donate Now →



But the economic contributions of immigrants far exceed the costs of those additional public services. A [2023 CATO study](#) found that first-generation immigrants contributed an average of \$16,207 per capita to the economy in 2018 yet cost an average of just \$11,361. This resulted in a net fiscal benefit of \$4,846 per immigrant in 2012 dollars.

Undocumented immigrants in the U.S. contribute to the tax system through sales, income, and property taxes, often using [Individual Tax Identification Numbers \(ITINs\)](#) to file income tax returns. In 2022, undocumented immigrants had a combined household income of \$290.0 billion and paid \$21.5 billion in federal taxes and \$13.6 billion in state and local taxes. Their combined spending power was \$254.8 billion. Despite their substantial contributions, many do not qualify for the benefits their taxes support, such as social security and Medicare benefits or the Earned Income Tax Credit.

Taxes paid by undocumented immigrants also help pay for public higher education, yet undocumented immigrants are also often unable to reap the benefits through in-state tuition options. An analysis of the [Higher Education Immigration Portal](#) developed by the Presidents' Alliance on Higher Education and Immigration, revealed that 26 states do not provide in-state tuition to undocumented residents.

As we move through another tax season, addressing and dispelling the widespread misconceptions about immigrants and their tax contributions is crucial. The facts are undeniable: immigrants, including those who are undocumented, not only meet their tax obligations but also significantly enhance our economy through their contributions. Their collective household income leads to considerable federal and state tax payments, making a profound economic impact. Moreover, their spending

[Sign Up](#)

[Donate Now →](#)



When taxes yet remain ineligible to access several services. This situation lays the groundwork for a deeper conversation on fairness and community support. In addressing key immigration issues, our discussions and decisions must be founded on fact. This approach ensures that every member of our society is appropriately recognized for their contributions.

Individual Tax Identification Number

Related Resources



Offices of New Americans Visit New York and New Jersey to Learn, Connect, and Inspire

[Changing Culture / July 29, 2025](#)

[Read More →](#)

[Sign Up](#)

[Donate Now →](#)



Texas Dream Act Survives—Because Texans Showed Up

[Economics](#) / [Legislation](#) / [May 30, 2025](#)

In a legislative session marked by political division and increasingly polarized rhetoric, the Texas Dream...

[Read More →](#)



House Reconciliation Bill Would Supercharge Immigrant Detention and Effectively Eliminate Asylum for Most

[Economics](#) / [Detention](#) / [May 5, 2025](#)

On April 30, the House Judiciary Committee advanced a budget reconciliation bill which, if signed...

[Read More →](#)

[Sign Up](#)

[Donate Now →](#)



Map The Impact

Explore immigration data where you live

[Explore Our Map →](#)

Our Map the Impact tool has comprehensive coverage of more than 100 data points about immigrants and their contributions in all 50 states and the country overall. It continues to be widely cited in places ranging from Gov. Newsom's declaration for California's Immigrant Heritage Month to a Forbes article and PBS' Two Cents series that targets millennials and Gen Z.

100+

datapoints about immigrants and their contributions

[Sign Up](#)

[Donate Now →](#)



Defend Immigrant Rights, Defend Democracy

[Donate Today](#)

[Make a Monthly Gift →](#)

[Sign Up](#)

[Donate Now →](#)



Sign up for our newsletter

[Sign Up](#)

[Donate Now →](#)



 202-507-7500

 PMB2026

2001 L Street N.W., Suite 500
Washington, DC 20036



[About Us](#)

[Tools & Resources](#)

[Our Impact](#)

[Building Connection](#)

[J-1 Cultural Exchange](#)

[Immigration Justice Campaign](#)

[Reports & Fact Sheets](#)

[Newsroom](#)

[Events](#)

[Careers](#)

[Financial Information](#)

[Contact](#)

[Sign Up](#)

[Donate Now →](#)



American Immigration Council is a 501(c)(3) not-for-profit organization. EIN number 52-1549711.

[Privacy Policy](#)

2026 © Copyright American Immigration Council. All rights reserved.