




ECONOMY

GOVERNMENT & POLITICS

Study says undocumented immigrants paid almost \$100 billion in taxes

BY: CASEY QUINLAN - AUGUST 2, 2024 6:59 AM



 Texas National Guard soldiers stand on patrol near the bank of the Rio Grande on April 2, 2024 in El Paso, Texas. A new study shows that undocumented immigrants paid nearly \$100 billion in federal, state, and local tax revenue in 2022. The findings run counter to anti-immigrant rhetoric that immigrants who enter the U.S. illegally hurt social programs. (Brandon Bell/Getty Images)

A new study shows that undocumented immigrants paid nearly \$100 billion in federal, state and local tax revenue in 2022 while many are shut out of the programs their taxes fund. The findings run counter to anti-immigrant rhetoric that undocumented immigrants are “[destroying](#)” social programs.

In 40 states, undocumented immigrants paid higher tax rates than the top 1% of the income scale in those states, according to a [study](#) released Tuesday from the Institute on Taxation and Economic Policy, a left-leaning, nonprofit think tank.

The study, which uses estimates of undocumented immigrants' tax contributions as of 2022, shows those totaled \$96.7 billion that year. Study authors also found that undocumented immigrants would contribute \$40.2 billion more per year in federal, state and local taxes if all of the undocumented population had access to work authorization. The Institute on Taxation and Economic Policy reasoned that this boost would come from higher wages associated with employment authorization and easier compliance with income tax laws.

The report also shed further light on the tax revenue provided by undocumented immigrants on the state and local level. Undocumented immigrants are paying 46% of their state and local tax payments through sales and excise taxes. Six states – New Jersey, New York, California, Florida, Texas, and Illinois – were able to raise more than \$1 billion each in tax revenue from undocumented immigrants, the nonprofit said.

Undocumented immigrants pay property taxes and sales taxes, and federal payroll taxes taken from their wages, as well as income tax returns using Individual Taxpayer Identification numbers. Despite those payroll taxes funding Medicare, Social Security, and Unemployment Insurance, undocumented immigrants are not eligible to enroll in and receive regular benefits from these social programs. They can also face barriers to getting tax refunds, including getting scammed by unscrupulous tax preparers who target immigrant communities, said Jackie Vimo, senior analyst of economic justice policy at the National Immigration Law Center, a group that focuses on racial, economic and social justice for low-income immigrants, in a media call on the report.

“There are tons of laws that prevent undocumented workers from getting benefits...” said Richard C. Auxier, a principal policy associate at the Urban-Brookings Tax Policy Center, a nonpartisan think tank that was not involved in the study. “...They get a lot of political attention. At the end of the day, they're just normal people paying normal taxes.”

Alexis Tsoukalas, senior policy analyst at Florida Policy Institute, a nonprofit focused on economic mobility for Floridians, told reporters on Monday that she was struck by how much the state collected from undocumented immigrants in taxes compared to the wealthiest in the state. The current tax rate for undocumented immigrants in Florida is 8% compared to the top 1% of the state at 2.7%.

“This means hundreds of thousands of everyday people are contributing more than their share to public services they cannot even access meanwhile those with the most to give and the most to benefit contribute the least,” Tsoukalas said.

The study was released in the backdrop of a political climate where states have passed laws to [arrest people](#) who they suspect of entering the U.S. illegally, which has been a federal power, the Biden administration announced an executive action to [allow for the deportation](#) of many asylum seekers without processing their claims, and the 2024 Republican Party platform [promises](#) the “largest deportation operation in American history” if former President Donald Trump is reelected over presumptive Democratic nominee Kamala Harris. Tax policy will also be front and center for Congress and the White House next year as provisions of Trump’s tax law, passed in 2017, are set to expire.

Aside from the human cost of deportations on families, policy experts and researchers are making the case that undocumented immigrants are a boon to the economy, making it an economic cost as well. Immigration and economic experts who spoke about the significance of the report on Monday highlighted the Congressional Budget Office’s July [report](#) on the rise in immigration and its effects on the economy and budget, which found that this increase in immigration would add \$1.2 trillion in federal revenue from 2024 to 2034.

Carl Davis, research director at the Institute on Taxation and Economic Policy, said there are economic ripple effects to consider in the deportation of undocumented immigrants in the U.S. beyond taxes.

“If you deported someone and they’re no longer making taxable purchases in their community, that number would reflect a reduction in their sales tax payments to the community but it wouldn’t capture that second ripple effect of the business has less profits because they have fewer customers,” Davis said in a media call on the study.

Auxier said that researchers have found children in an undocumented immigrant household are receiving education benefits that could be larger than the tax payments of the lower income working adults, but that this is more of an income issue than a specific immigration issue. The other side of that coin, Auxier

notes, is that in the future, undocumented households may in fact give back more than they received.

“Those same studies tend to note that if the children go to school and they then go get jobs, now the American household is giving more than it got because the parents came here, worked, paid into Social Security, Medicare, and didn’t get any benefits,” he said. “The kid went to school and then they got a job and then they started earning enough money that they were a net contributor.”

Policy experts also pointed to a labor shortage – [8.1 million job openings and 6.8 million unemployed workers](#) – as a reason to embrace the economic contributions of undocumented immigrants. South Dakota, North Dakota, Maryland, Vermont, Maine, and South Carolina are some of the states facing the greatest labor shortages, [according to](#) a Washington Post analysis of Bureau of Labor Statistics data.

“Immigrants are already filling that [labor] gap and if we have mass deportations where millions of immigrants are torn from their family members and the country they have made home, we will not only have the human impact of this but we’ll have a severe effect on the economy and available workforce,” said Vimo of the National Immigration Law Center.

YOU MAKE OUR WORK POSSIBLE.

SUPPORT



REPUBLISH

Our stories may be republished online or in print under Creative Commons license CC BY-NC-ND 4.0. We ask that you edit only for style or to shorten, provide proper attribution and link to our website. AP and Getty images may not be republished. Please see our [republishing guidelines](#) for use of any other photos and graphics.



CASEY QUINLAN

Casey Quinlan was an economy reporter for States Newsroom, based in Washington, D.C. For the past decade, they have reported on national politics and state politics, LGBTQ rights, abortion access, labor issues, education, Supreme Court news and more for publications including The American Independent, ThinkProgress, New Republic, Rewire News, SCOTUSblog, In These Times and Vox.

MORE FROM AUTHOR

RELATED NEWS



Decatur Police Department report expected to be released...

BY MEGAN PLOTKA

January 22, 2025



HHS report outlines child maltreatment report rates in...

BY ALANDER ROCHA

January 22, 2025

CLARITY TODAY FOR A BETTER TOMORROW

DEMOCRACY TOOLKIT



The Alabama Reflector is an independent, nonprofit news outlet dedicated to covering state government and politics in the state of Alabama. Through daily coverage and investigative journalism, The Reflector covers decision makers in Montgomery; the issues affecting Alabamians, and potential ways to move our state forward.

We're part of [States Newsroom](#), the nation's largest state-focused nonprofit news organization.

[DEIJ Policy](#) | [Ethics Policy](#) | [Privacy Policy](#)



Our stories may be republished online or in print under [Creative Commons license CC BY-NC-ND 4.0](#). We ask that you edit only for style or to shorten, provide proper attribution and link to our website. (See full [republishing guidelines](#).)



© Alabama Reflector, 2025

v1.671

STATES NEWSROOM

FAIR. FEARLESS. FREE.