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TAX FACTS

STATE AND LOCAL TAX CONTRIBUTIONS OF UNDOCUMENTED IMMIGRANTS

One of the most debated issues in the Legislature and media this session is undocumented immigration. Proposed legislation addresses many areas such as law enforcement. However, the debate surrounding the issue continues to focus on the cost of this population and the use of public benefits and services.

In 2006, GBPI released an estimate of the tax contribution of undocumented families to enhance the debate and provide data on the topic. The purpose of the report was to dispel the myth that undocumented immigrants pay no taxes.

The lack of data on the undocumented population causes tax contribution estimates to be difficult. It is easily agreed, though, that the undocumented population contributes some level of taxes at the state and local level.

Undocumented immigrants pay state and local sales taxes on purchases, motor fuel taxes each time a car is filled up, property taxes collected with each rent bill, tobacco and alcohol taxes, and income taxes as well. National estimates on the share of the undomented population paying income taxes ranges from 50 to 70 percent.

Using tax contribution calculations and estimates of average family income, the Institute on Taxation and Economic Policy provides an updated estimate that undocumented immigrants in Georgia contribute \$407 million into state and local coffers through sales, property, and income taxes.

Undocumented immigrants in Georgia annually contribute an estimated \$407 million in state and local taxes.

While debate often focuses on the need to restrict undocumented immigrants from government services, the majority of services are already restricted by federal law. The following is a list of assistance programs for which undocumented immigrants do not qualify:

- Food stamps
- Social Security
- Supplemental Security Income
- Temporary Assistance for Needy Families
- Full-Scope Medicaid
- Medicare "Premium Free" Part A (*hospitalization*)
- PeachCare (children's health insurance)
- HUD Public Housing and Section 8 programs

Undocumented immigrants do qualify for K-12 public education and emergency medical care.

(For methodology and additional resources, download GBPI's 2006 report, "Undocumented Immigrants in Georgia: Tax Contributions and Fiscal Concerns," at www.gbpi.org.)

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