Fact Sheet

Undocumented Immigrants in New Mexico
State Tax Contributions and Fiscal Concerns
Part of the Fiscal Policy Project

Data Sources

✓ The two different sets of population estimates of undocumented immigrants are from the INS (now Citizenship and Immigration Services) and the Pew Hispanic Center (www.pewhispanic.org).

✓ Estimates of state taxes paid by undocumented immigrants are based on Institute for Taxation and Economic Policy (ITEP) methodology (www.itepnet.org).

✓ Estimates for state expenditures on K-12 students are based on per-pupil costs from the U.S. Census Bureau (www.census.gov).

Key Findings

✓ Federal law prohibits undocumented immigrants from receiving most tax-payer funded government services, including Medicaid, Medicare, food stamps, Temporary Assistance for Needy Families (TANF), Social Security, childcare subsidies, housing assistance, etc.

✓ Health care providers, such as University Hospital, require that patients without health insurance or Medicaid pay for the care they receive, emergency or otherwise. This includes undocumented immigrants.

✓ Many undocumented immigrants who are hoping to become citizens know that the use of publicly funded services can jeopardize their ability to get citizenship.

✓ Many taxes, such as gross receipt and property taxes, are impossible to avoid paying. Therefore it can be assumed that undocumented immigrants pay these taxes.

✓ The Social Security Administration (SSA) received $7 billion last year alone in taxes filed under invalid Social Security (SS) numbers (source: New York Times).
Immigration and Customs Enforcement (www.uscis.gov) officials have targeted employers who pay taxes under invalid SS numbers, which has resulted in the arrest of undocumented immigrants in their employ (source: Knight Ridder Newspapers).

Therefore, it can be assumed that undocumented immigrants pay state and federal income taxes. However, few – if any – will ever receive income tax refunds or Social Security or Medicare benefits.

Depending on the population estimates used, undocumented immigrants pay the state of New Mexico between $47 million and $69 million in taxes each year.

A comparison of tax payments and educational expenditures shows that unauthorized immigrants who have been in the U.S. fewer than 10 years pay between $1.2 million and $1.8 million MORE in state taxes than undocumented immigrant children cost in state educational expenditures.