



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*).

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- ✓ 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.