

Undocumented Immigrants' State & Local Tax Contributions

Institute on Taxation & Economic Policy

Updated March 2017

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About The Institute on Taxation & Economic Policy

The Institute on Taxation and Economic Policy (ITEP) is a non-profit, non-partisan 501 (c) 3 organization that produces timely, accessible, and sound analyses on federal, state, and local tax policy issues. ITEP's research helps inform policy makers, advocates, the media and general public about the fairness, adequacy, and sustainability of existing tax structures and how proposed tax changes would impact revenues and taxpayers across the income spectrum.

Acknowledgments

ITEP extends special thanks to David Dyssegaard Kallick at the Fiscal Policy Institute, Michael Leachman at the Center on Budget and Policy Priorities, Jeanne Batalova at the Migration Policy Institute, and Tanya Broder and Kamal Essaheb at the National Immigration Law Center for their guidance on this report.

Public debates over federal immigration reform, specifically around undocumented immigrants, often suffer from insufficient and inaccurate information about the tax contributions of undocumented immigrants, particularly at the state level. The truth is that undocumented immigrants living in the United States pay billions of dollars each year in state and local taxes. Further, these tax contributions would increase significantly if all undocumented immigrants currently living in the United States were granted a pathway to citizenship as part of a comprehensive immigration reform. Or put in the reverse, if undocumented immigrants are deported in high numbers, state and local revenues could take a substantial hit.

Accurate information about the tax contributions of undocumented immigrants is needed now more than ever. Divisive and objectionable rhetoric has not tempered in the early months of the Trump administration. Policies

adopted and supported by the new administration are haphazard in design and impact; they characterize undocumented families as criminals and encourage indiscriminate deportations. Good policy is informed policy. Just like the horrendous impact of breaking up families should not be ignored, neither should the lost tax contributions from isolating or deporting undocumented immigrants.

To better inform the ongoing debates on immigration policy reform, this report provides state-by-state and national estimates on the current state and local tax contributions of the 11 million undocumented immigrants living in the United States as of 2014, and the increase in contributions if all these taxpayers were granted legal status as part of comprehensive reform.¹

Key Findings:

- Undocumented immigrants contribute significantly to state and local taxes, collectively paying an estimated **\$11.74 billion** a year.² Contributions range from just over \$550,000 in Montana with an estimated undocumented population of 1,000 to more than \$3.1 billion in California, home to more than 3 million undocumented immigrants.
- Undocumented immigrants nationwide pay on average an estimated 8 percent of their incomes in state and local taxes (this is their effective state and local tax rate). To put this in perspective, the top 1 percent of taxpayers pay an average nationwide effective tax rate of just 5.4 percent.³
- Granting legal status to all undocumented immigrants in the United States as part of a comprehensive immigration reform and allowing them to work legally would increase their state and local tax contributions by an estimated **\$2.18 billion** a year. Their nationwide effective state and local tax rate would increase to 8.6 percent.

Who Are Undocumented Immigrants?

Undocumented Immigrants are:

- **Diverse**—Not all undocumented immigrants are from Mexico. While most are from the Americas, many parts of the U.S. are home to immigrants from Asia and the Pacific Islands, Africa, and Europe.
- **Families**—Most families have mixed legal status, such as one parent with legal immigration status, one parent without documentation, and a child with U.S. citizenship.
- **Concentrated**—Although there are undocumented populations in each state, 1 in 6 live in just 20 metro areas. California, Florida, New Jersey, New York, and Texas are the states with the largest populations.
- **Contributing to our Communities**—Over 60% have lived in the U.S. for more than a decade. Labor force participation is high and crime rates are lower than that of U.S. born residents.
- **Not Stealing Jobs**—Undocumented immigrants largely work in the positions that an aging and more educated U.S. workforce is unable to fill.
- **DREAMers**—Many undocumented immigrants were brought to the U.S. as children. DREAMers must meet education requirements and pass an extensive background screening. They were raised in the U.S., and represent the potential of the next generation.

Undocumented Immigrants Pay State and Local Taxes: Current Contributions

Like other people living and working in the United States, undocumented immigrants pay state and local taxes. They pay sales and excise taxes when they purchase goods and services (for example, on utilities, clothing and gasoline). They pay property taxes directly on their homes or indirectly as renters. Many undocumented immigrants also pay state income taxes. The best evidence suggests that at least 50 percent of undocumented immigrant households currently file income tax returns using Individual Tax Identification Numbers (ITINs), and many who do not file income tax returns still have taxes deducted from their paychecks.⁴

Collectively, undocumented immigrants in the United States pay an estimated total of \$11.74 billion in state and local taxes a year (see Table 1 for state-by-state estimates). This includes more than \$7 billion in sales and excise taxes, \$3.6 billion in property taxes, and \$1.1 billion in personal income taxes.

Another way to measure the state and local taxes that undocumented immigrants pay is through their effective tax rate, which is the share of total income paid in taxes. The effective tax rate is useful for more accurate state-to-state comparisons because it accounts for differences between states' tax structures and population size. Undocumented immigrants' nationwide average effective tax rate is an estimated 8 percent. To put this in perspective, the top 1 percent of taxpayers pay an average nationwide effective tax rate of just 5.4 percent.⁵

Table 1: Undocumented Immigrants' State and Local Tax Contributions

Current vs. Full Legal Status for All Undocumented Immigrants

| State | Current State and Local Taxes | State and Local Taxes if Granted Full Legal Status | Tax Change | State | Current State and Local Taxes | State and Local Taxes if Granted Full Legal Status | Tax Change |
|---------------|-------------------------------|--|----------------|-------------------|-------------------------------|--|-------------------------|
| Alabama | \$62,312,000 | \$80,061,000 | +\$17,749,000 | Montana | \$548,000 | \$762,000 | +\$213,000 |
| Alaska | \$4,043,000 | \$4,448,000 | +\$404,000 | Nebraska | \$39,800,000 | \$48,177,000 | +\$8,376,000 |
| Arizona | \$213,574,000 | \$252,958,000 | +\$39,384,000 | Nevada | \$86,101,000 | \$94,712,000 | +\$8,610,000 |
| Arkansas | \$62,767,000 | \$77,166,000 | +\$14,399,000 | New Hampshire | \$7,236,000 | \$8,005,000 | +\$770,000 |
| California | \$3,199,394,000 | \$3,653,985,000 | +\$454,591,000 | New Jersey | \$587,415,000 | \$661,130,000 | +\$73,716,000 |
| Colorado | \$139,524,000 | \$172,250,000 | +\$32,726,000 | New Mexico | \$67,743,000 | \$75,756,000 | +\$8,013,000 |
| Connecticut | \$124,701,000 | \$145,284,000 | +\$20,583,000 | New York | \$1,102,323,000 | \$1,349,476,000 | +\$247,153,000 |
| Delaware | \$13,532,000 | \$19,694,000 | +\$6,162,000 | North Carolina | \$277,402,000 | \$370,780,000 | +\$93,378,000 |
| Dist. of Col. | \$31,765,000 | \$38,731,000 | +\$6,966,000 | North Dakota | \$2,844,000 | \$3,263,000 | +\$419,000 |
| Florida | \$598,678,000 | \$658,546,000 | +\$59,868,000 | Ohio | \$83,247,000 | \$108,786,000 | +\$25,538,000 |
| Georgia | \$351,718,000 | \$455,581,000 | +\$103,863,000 | Oklahoma | \$84,765,000 | \$104,648,000 | +\$19,884,000 |
| Hawaii | \$32,343,000 | \$42,750,000 | +\$10,408,000 | Oregon | \$80,775,000 | \$119,365,000 | +\$38,590,000 |
| Idaho | \$28,613,000 | \$34,557,000 | +\$5,944,000 | Pennsylvania | \$134,872,000 | \$186,244,000 | +\$51,372,000 |
| Illinois | \$758,881,000 | \$917,370,000 | +\$158,490,000 | Rhode Island | \$31,154,000 | \$37,564,000 | +\$6,410,000 |
| Indiana | \$92,200,000 | \$120,900,000 | +\$28,701,000 | Rhode Island | \$67,753,000 | \$86,195,000 | +\$18,442,000 |
| Iowa | \$36,728,000 | \$45,570,000 | +\$8,842,000 | South Carolina | \$5,338,000 | \$5,872,000 | +\$534,000 |
| Kansas | \$67,843,000 | \$78,897,000 | +\$11,054,000 | Tennessee | \$107,465,000 | \$118,251,000 | +\$10,786,000 |
| Kentucky | \$36,629,000 | \$52,702,000 | +\$16,073,000 | Texas | \$1,560,896,000 | \$1,716,985,000 | +\$156,090,000 |
| Louisiana | \$67,991,000 | \$83,188,000 | +\$15,197,000 | Utah | \$69,770,000 | \$91,255,000 | +\$21,485,000 |
| Maine | \$4,367,000 | \$5,525,000 | +\$1,158,000 | Vermont | \$2,936,000 | \$3,411,000 | +\$475,000 |
| Maryland | \$332,248,000 | \$425,779,000 | +\$93,531,000 | Virginia | \$255,965,000 | \$355,924,000 | +\$99,959,000 |
| Massachusetts | \$184,605,000 | \$240,773,000 | +\$56,168,000 | Washington | \$316,624,000 | \$348,287,000 | +\$31,662,000 |
| Michigan | \$86,692,000 | \$113,910,000 | +\$27,217,000 | West Virginia | \$5,112,000 | \$6,811,000 | +\$1,699,000 |
| Minnesota | \$83,192,000 | \$102,646,000 | +\$19,453,000 | Wisconsin | \$71,792,000 | \$91,691,000 | +\$19,899,000 |
| Mississippi | \$22,684,000 | \$28,028,000 | +\$5,344,000 | Wyoming | \$4,165,000 | \$4,582,000 | +\$417,000 |
| Missouri | \$48,897,000 | \$63,435,000 | +\$14,538,000 | All States | \$11,739,961,000 | \$13,912,665,000 | +\$2,172,703,000 |

Granting Legal Status to All Undocumented Immigrants Would Boost Their State and Local Tax Contributions

Creating a pathway to citizenship for the 11 million undocumented immigrants living in the United States and allowing them to work here legally would boost their current state and local tax contributions by more than \$2.18 billion a year (see Table 1). Personal income tax collections would increase by \$1.1 billion a year. Sales and excise taxes would increase by \$702 million, and property taxes would grow by \$362 million. As a result, the overall state and local taxes paid by undocumented immigrants as a share of their income would increase from 8 percent to 8.6 percent.

The most significant revenue gain would come from the personal income tax, due to both increased earnings and full compliance with the tax code.⁶ Multiple studies have shown that legal immigrants have higher wages than undocumented immigrants, thus gaining legal status could lead to a boost in wages. The wage boost is in part due to better job opportunities that would be made available to workers with legal status and also in part to an increased access to higher-level skills and better training. Most comprehensive reform measures to date have included strong incentives or requirements for undocumented immigrants granted legal status to fully comply with tax law.

Conclusion

Undocumented immigrants make considerable tax contributions. Like other immigrants and U.S. citizens they purchase goods and services, work, and live across the country. Proposals to remove immigrants ignore their many contributions. In a time when most states are facing revenue shortages, the potential budgetary impacts of mass deportation merits careful consideration. States could lose an estimated \$11.74 billion in revenue if all undocumented immigrants were removed. In addition to the many humanitarian, public health, and moral arguments for a pathway to legal citizenship and against mass deportations, there is also a state fiscal component that should not be ignored.

See Appendix 1 for state-by-state estimates of the current and post-reform state and local tax contributions of the total undocumented immigrant population. The appendix includes effective tax rates and totals for sales and excise, personal income, and property taxes.

Methodology

While the spending and income behavior of undocumented immigrant families is not as well documented as that of US citizens, the estimates in this report represent a best approximation of the taxes families headed by undocumented immigrants likely pay.

The ITEP methodology used to calculate the current and potential tax contribution of undocumented immigrants uses five main data points:

1. Estimated undocumented immigrant population in each state
2. Average size of undocumented immigrant families/taxpaying units
3. Range of annual undocumented immigrant family/taxpayer income in each state

4. Estimated number of undocumented immigrants who are homeowners
5. Estimated effective tax rates (taxes as share of income) for sales, income, and property taxes paid by low- and moderate-income families in each state

Additional assumptions are made (and described below) about the change in tax contributions that would occur if all 11 million undocumented immigrants were granted legal status under comprehensive immigration reform.

See Appendix 2 for state-by-state details on data used to assist in calculating the state and local tax contributions.

1. Estimated undocumented immigrant population in each state

Estimates of each state's undocumented immigrant population are from the Migration Policy Institute (MPI).⁷ According to MPI, an estimated 11,090,000 undocumented immigrants resided in the U.S. as of 2014 (an estimate that is only 13,000 lower than MPI's estimate from 2013 data).

2. Average size of undocumented immigrant families/taxpaying units

The Pew Research Center calculated a nationwide estimate of the number of people per undocumented immigrant family. The most recent estimate, 2.29, is used to find an estimated number of undocumented families (or taxpaying units) by state.⁸ ITEP divided population estimates for each state by the average family size to find an estimated number of undocumented families/taxpaying units living in each state.

3. Range of annual undocumented immigrant family/taxpayer income in each state

Estimates of the income distribution of undocumented families are from MPI data on the number of undocumented immigrants in five discrete income groups based on the 2014 federal poverty level.⁹ ITEP used the midpoint of the income ranges in each group as an estimate of average income within each group and multiplied by the number of families/taxpaying units in each group to calculate aggregate income in these groups.

4. Estimated number of undocumented immigrants who are homeowners

ITEP used MPI data on undocumented families' homeownership rates for each state. We then calculated separate property tax incidence analyses for homeowners and renters in each state. Applying the homeowner effective tax rates to the homeowner population and the renter tax rates to the renter population yielded a combined property tax estimate for all undocumented families in each state.¹⁰

5. Estimated effective tax rates (taxes as share of income) for sales, income, and property taxes paid by low- and moderate-income families in each state¹¹

ITEP's microsimulation computer model is a sophisticated program that applies the state and local tax laws in each state (including sales, excise, income, and property tax laws) to a statistically valid database of tax returns to generate estimates of the effective tax rates paid by taxpayers at various income levels under state and local tax law in place as of December 31, 2014. In January of 2015, ITEP released the 5th edition of *Who Pays?* which estimates the effect of the state and local tax laws as of January 2015 on

taxpayers at 2012 income levels. This report applies effective tax rates calculated in the 2015 *Who Pays?* report to the undocumented population with one exception. The effective tax rates in seven states: California, Colorado, Maine, Massachusetts, New Jersey, Oklahoma, and Rhode Island were slightly modified for the analysis to include the enactment, enhancement, or reduction of state EITCs in 2015 and 2016 (this change applies only to the analysis granting legal status and does not impact the current tax contributions).

The following assumptions were made to calculate the sales, income, and property taxes of the undocumented immigration population:

- ♦ **Sales tax:** Sales taxes are collected by retailers every time a purchase is made on a taxable good or service. It is reasonable to assume that undocumented immigrants pay sales tax at similar rates to U.S. citizens and legal immigrants with similar incomes. This analysis adjusts the estimated annual incomes for each state downward by 10 percent for purposes of calculating the sales tax paid to account for remittances. Research shows that undocumented immigrants send about 10 percent of their income to families in their countries of origin, so this portion of undocumented taxpayers' income is unavailable for taxable consumption.¹²
- ♦ **Income tax:** Various studies have estimated between 50 and 75 percent of undocumented immigrants currently pay personal income taxes using either false social security (SSN) or individual tax identification (ITIN) numbers.¹³ This analysis assumes a 50 percent compliance rate for current taxes and 100 percent post-reform granting legal status to all undocumented immigrants.

Undocumented immigrants are currently ineligible to receive the federal Earned Income Tax Credit (EITC) and state versions of the credit because they lack the legal authority to work in the U.S. Accordingly, the impact of state EITCs has been removed from the current personal income tax estimates. This has the effect of increasing the effective income tax rates paid by these undocumented taxpayers under current law.

- ♦ **Property tax:** The first step in calculating property taxes was to identify the share of undocumented immigrant families who are homeowners or renters in each state. This analysis used state-by-state data from the MPI to estimate homeownership rates for undocumented immigrants in each state. The model assumes that for renters, half of the cost of the property tax paid initially by owners of rental properties is passed through to renters.

Additional indicators used to make calculations for anticipated state and local tax changes if legal status is granted as part of comprehensive immigration reform:

- ♦ **Wage boost:** This study assumes that having the authority to work legally in the United States would increase undocumented immigrants' wages and thus increase the taxes paid by those same immigrants, based on research by the Fiscal Policy Institute. Examining a number of studies on immigrant wages, this research consistently found that legal immigrants had higher wages than undocumented immigrants and gaining legal status could boost wages anywhere between 6 and 15 percent.¹⁴ A Congressional Budget Office report on the economic impact of immigration reform estimated the eventual wage boost to be 12 percent.¹⁵ This study assumes a conservative estimate of a 10 percent wage hike by granting legal status to all 11 million undocumented immigrants. An

increase in income would also contribute to a slight increase in the sales, income, and property tax payments of the currently undocumented immigrant population.

- ♦ **Personal income tax compliance:** As explained above, current estimates of undocumented immigrants' income tax compliance rates range from 50 to 75 percent. To calculate the anticipated income tax gain from allowing undocumented immigrants to work in the U.S. legally, this analysis assumes full compliance with state personal income tax laws post-reform given the strong incentives for tax compliance likely to be included in a comprehensive reform measure. It is important to note that the same tax rules and provisions that apply to the general population will apply to undocumented immigrants filing income taxes.
- ♦ **Earned Income Tax Credit eligibility:** Post-reform, the study assumes that working immigrants granted the legal right to live and work in the U.S. and who are otherwise eligible for the EITC will claim the credit. This analysis also assumes that working immigrants meeting EITC eligibility criteria and granted the legal right to work under comprehensive immigration reform will claim the state versions of the credit. The states with permanent EITCs included in this report are: California, Colorado, Connecticut, District of Columbia, Delaware, Iowa, Illinois, Indiana, Kansas, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Nebraska, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Rhode Island, Virginia, Vermont, and Wisconsin. This study includes the impact of the newly enacted EITCs in California and Colorado, improvements made to EITCs in Maine, Massachusetts, New Jersey, and Rhode Island in 2015 and 2016, and a cut in Oklahoma's EITC.

Changes from ITEP's February 2016 Undocumented Immigrants' State & Local Tax Contributions Report

The analysis presented in this report is an update to an ITEP report published in 2016. The 2017 report uses 2014 estimates on the undocumented immigrant population (size, income, homeownership, and population impacted by the executive actions) whereas the 2016 report used 2013 data. Most notably, the number of undocumented immigrants remained relatively flat. It declined by only about 13,000 between 2013 and 2014, however the amount of estimated income rose slightly. The steady population and slight changes in income led to a small increase in the total amount of state and local taxes undocumented immigrants pay in the 2017 study compared to the 2016 study.

¹ Migration Policy Institute (MPI) analysis of U.S. Census Bureau data from the 2010-2014 ACS pooled, and the 2008 Survey of Income and Program Participation (SIPP) by Colin Hammar and James Bachmeier of Temple University and Jennifer Van Hook of Pennsylvania State University, Population Research Institute.

² See the methodology section for more information on the calculation of estimated undocumented immigrant state and local tax payments.

³ Davis, Carl, et al. "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States." *Who Pays?*, 5th ed., Institute on Taxation and Economic Policy, Jan. 2015, www.whopays.org.

⁴ See this report's methodology section for more information about current personal income tax compliance.

⁵ Institute on Taxation and Economic Policy (see footnote 3).

⁶ See this report's methodology for a detailed description of wage boost and tax compliance assumptions applied to the change in state and local tax contributions post-reform.

⁷ Migration Policy Institute (see footnote 1)

⁸ Passel, Jeffrey S., and D'Vera Cohn. "Unauthorized Immigrant Population, National and State Trends, 2010." *Pew Hispanic*, Pew Research Center, 1 Feb. 2011, www.pewhispanic.org/2011/02/01/unauthorized-immigrant-population-brnational-and-state-trends-2010/.

⁹ Migration Policy Institute (see footnote 1)

¹⁰ Ibid.

¹¹ Institute on Taxation and Economic Policy (see footnote 3)

¹² See among others: Orozco, Manuel. "Remittances to Latin America and the Caribbean: Issues and Perspectives on Development." *Summit of the Americas*, Organization of American States, Sept. 2004, www.summit-americas.org/Panels/Panel_on_Remittances/INF5_Remesas_Orozco_ENG.pdf.

¹³ See among others: Feinleib, Joel, and David Warner. "Issue Brief #1: The Impact of Immigration on Social Security and the National Economy." *Social Security Advisory Board*, Social Security Advisory Board, Dec. 2005, www.ssab.gov/Portals/0/OUR_WORK/REPORTS/Impact%20of%20Immigration%20on%20Social%20Security%20Brief_2005.pdf; Singer, Paula, and Linda Dodd-Major. "Identification Numbers and U.S. Government Compliance Initiatives." *Tax Analysts*, 20 Sept, 2004; and Cornelius, Wayne, and Jessica Lewis. *Impacts of Border Enforcement on Mexican Migration: The View from Sending Communities*, La Jolla, Calif.: University of California at San Diego, Center for Comparative Immigration Studies, 2007.

¹⁴ Kallick, David Dyssegaard. "Three Ways Immigration Reform Would Make the Economy More Productive." *Fiscal Policy Institute*, Fiscal Policy Institute, 4 Jun., 2013, fiscalpolicy.org/wp-content/uploads/2013/06/3-ways-reform-would-improve-productivity.pdf (see Appendix A: A Review of the Literature on Legalization and Earnings, and also this report's methodology section for more information on the wage effects of granting legal status to the entire undocumented population).

¹⁵ "Economic Impact of S. 744, Border Security, Economic Opportunity, and Immigration Modernization Act." *Congressional Budget Office*, Congressional Budget Office, Jun. 2013, www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44346-Immigration.pdf.

Appendix 1: Detailed State and Local Tax Contributions of Total Undocumented Immigrant Population

Current vs. Full Legal Status for All Undocumented Immigrants

| | | Sales and Excise Tax Total | Personal Income Tax Total | Property Tax Total | Total State and Local Taxes | Undocumented Immigrant Effective Tax Rate | Top 1% Effective Tax Rate (All Taxpayers) ¹ |
|---------------|-------------------|----------------------------|---------------------------|--------------------|-----------------------------|---|--|
| Alabama | Current | \$45,311,000 | \$10,471,000 | \$6,530,000 | \$62,312,000 | 7.2% | 3.8% |
| | Full Legal Status | \$49,842,000 | \$23,036,000 | \$7,183,000 | \$80,061,000 | 8.4% | |
| Alaska | Current | \$1,877,000 | No Income Tax | \$2,167,000 | \$4,043,000 | 4.3% | 2.5% |
| | Full Legal Status | \$2,064,000 | | \$2,383,000 | \$4,448,000 | 4.3% | |
| Arizona | Current | \$144,232,000 | \$16,388,000 | \$52,954,000 | \$213,574,000 | 8.0% | 4.6% |
| | Full Legal Status | \$158,655,000 | \$36,054,000 | \$58,250,000 | \$252,958,000 | 8.6% | |
| Arkansas | Current | \$47,382,000 | \$7,384,000 | \$8,002,000 | \$62,767,000 | 9.1% | 5.6% |
| | Full Legal Status | \$52,120,000 | \$16,244,000 | \$8,802,000 | \$77,166,000 | 10.1% | |
| California | Current | \$1,970,679,000 | \$157,883,000 | \$1,070,833,000 | \$3,199,394,000 | 8.0% | 8.7% |
| | Full Legal Status | \$2,167,746,000 | \$308,322,000 | \$1,177,916,000 | \$3,653,985,000 | 8.3% | |
| Colorado | Current | \$82,211,000 | \$21,429,000 | \$35,883,000 | \$139,524,000 | 6.6% | 4.6% |
| | Full Legal Status | \$90,433,000 | \$42,346,000 | \$39,471,000 | \$172,250,000 | 7.4% | |
| Connecticut | Current | \$58,469,000 | \$15,551,000 | \$50,682,000 | \$124,701,000 | 7.6% | 5.3% |
| | Full Legal Status | \$64,316,000 | \$25,219,000 | \$55,750,000 | \$145,284,000 | 8.0% | |
| Delaware | Current | \$4,794,000 | \$4,662,000 | \$4,076,000 | \$13,532,000 | 3.9% | 4.8% |
| | Full Legal Status | \$5,274,000 | \$9,937,000 | \$4,483,000 | \$19,694,000 | 5.1% | |
| Dist. of Col. | Current | \$19,467,000 | \$6,647,000 | \$5,651,000 | \$31,765,000 | 7.3% | 6.4% |
| | Full Legal Status | \$21,414,000 | \$11,101,000 | \$6,216,000 | \$38,731,000 | 8.1% | |
| Florida | Current | \$463,955,000 | No Income Tax | \$134,722,586 | \$598,677,875 | 7.3% | 1.9% |
| | Full Legal Status | \$510,351,000 | | \$6,215,742 | \$38,731,097 | 7.3% | |
| Georgia | Current | \$214,416,000 | \$62,447,000 | \$74,856,000 | \$351,718,000 | 7.3% | 5.0% |
| | Full Legal Status | \$235,857,000 | \$137,383,000 | \$82,341,000 | \$455,581,000 | 8.6% | |
| Hawaii | Current | \$20,571,000 | \$6,521,000 | \$5,251,000 | \$32,343,000 | 8.9% | 7.0% |
| | Full Legal Status | \$22,628,000 | \$14,347,000 | \$5,776,000 | \$42,750,000 | 10.7% | |
| Idaho | Current | \$17,056,000 | \$2,802,000 | \$8,754,000 | \$28,613,000 | 7.0% | 6.4% |
| | Full Legal Status | \$18,762,000 | \$6,165,000 | \$9,630,000 | \$34,557,000 | 7.7% | |
| Illinois | Current | \$351,926,000 | \$95,945,000 | \$311,009,000 | \$758,881,000 | 10.3% | 4.6% |
| | Full Legal Status | \$387,119,000 | \$188,141,000 | \$342,110,000 | \$917,370,000 | 11.3% | |
| Indiana | Current | \$55,396,000 | \$19,802,000 | \$17,001,000 | \$92,200,000 | 8.1% | 5.2% |
| | Full Legal Status | \$60,936,000 | \$41,263,000 | \$18,701,000 | \$120,900,000 | 9.7% | |
| Iowa | Current | \$21,333,000 | \$5,974,000 | \$9,420,000 | \$36,728,000 | 7.9% | 6.0% |
| | Full Legal Status | \$23,466,000 | \$11,741,000 | \$10,362,000 | \$45,570,000 | 8.9% | |
| Kansas | Current | \$43,049,000 | \$6,473,000 | \$18,322,000 | \$67,843,000 | 8.2% | 3.6% |
| | Full Legal Status | \$47,354,000 | \$11,390,000 | \$20,154,000 | \$78,897,000 | 8.7% | |
| Kentucky | Current | \$20,136,000 | \$11,282,000 | \$5,211,000 | \$36,629,000 | 6.9% | 6.0% |
| | Full Legal Status | \$22,150,000 | \$24,821,000 | \$5,732,000 | \$52,702,000 | 9.0% | |
| Louisiana | Current | \$52,210,000 | \$8,536,000 | \$7,244,000 | \$67,991,000 | 7.8% | 4.2% |
| | Full Legal Status | \$57,431,000 | \$17,788,000 | \$7,969,000 | \$83,188,000 | 8.7% | |

Appendix 1: Detailed State and Local Tax Contributions of Total Undocumented Immigrant Population

Current vs. Full Legal Status for All Undocumented Immigrants

| | | Sales and Excise Tax Total | Personal Income Tax Total | Property Tax Total | Total State and Local Taxes | Undocumented Immigrant Effective Tax Rate | Top 1% Effective Tax Rate (All Taxpayers) ¹ |
|----------------|-------------------|----------------------------|---------------------------|--------------------|-----------------------------|---|--|
| Maine | Current | \$2,605,000 | \$681,000 | \$1,081,000 | \$4,367,000 | 6.5% | 7.5% |
| | Full Legal Status | \$2,865,000 | \$1,470,000 | \$1,190,000 | \$5,525,000 | 7.5% | |
| Maryland | Current | \$168,717,000 | \$77,970,000 | \$85,561,000 | \$332,248,000 | 8.2% | 6.7% |
| | Full Legal Status | \$185,589,000 | \$146,073,000 | \$94,118,000 | \$425,779,000 | 9.5% | |
| Massachusetts | Current | \$81,821,000 | \$42,471,000 | \$60,313,000 | \$184,605,000 | 7.0% | 4.9% |
| | Full Legal Status | \$90,003,000 | \$84,426,000 | \$66,344,000 | \$240,773,000 | 8.3% | |
| Michigan | Current | \$46,699,000 | \$18,499,000 | \$21,495,000 | \$86,692,000 | 6.9% | 5.1% |
| | Full Legal Status | \$51,368,000 | \$38,897,000 | \$23,645,000 | \$113,910,000 | 8.3% | |
| Minnesota | Current | \$49,713,000 | \$14,796,000 | \$18,684,000 | \$83,192,000 | 7.3% | 7.5% |
| | Full Legal Status | \$54,684,000 | \$27,409,000 | \$20,552,000 | \$102,646,000 | 8.2% | |
| Mississippi | Current | \$17,180,000 | \$2,796,000 | \$2,708,000 | \$22,684,000 | 7.4% | 5.3% |
| | Full Legal Status | \$18,898,000 | \$6,152,000 | \$2,978,000 | \$28,028,000 | 8.4% | |
| Missouri | Current | \$28,660,000 | \$8,771,000 | \$11,466,000 | \$48,897,000 | 6.8% | 5.5% |
| | Full Legal Status | \$31,526,000 | \$19,297,000 | \$12,613,000 | \$63,435,000 | 8.0% | |
| Montana | Current | \$168,000 | \$144,000 | \$237,000 | \$548,000 | 4.1% | 4.7% |
| | Full Legal Status | \$185,000 | \$316,000 | \$260,000 | \$762,000 | 5.2% | |
| Nebraska | Current | \$21,557,000 | \$4,778,000 | \$13,465,000 | \$39,800,000 | 8.3% | 6.3% |
| | Full Legal Status | \$23,713,000 | \$9,652,000 | \$14,812,000 | \$48,177,000 | 9.1% | |
| Nevada | Current | \$65,830,000 | No Income Tax | \$20,271,000 | \$86,101,000 | 5.0% | 1.4% |
| | Full Legal Status | \$72,413,000 | | \$22,298,000 | \$94,712,000 | 5.0% | |
| New Hampshire | Current | \$1,987,000 | No Income Tax on Wages | \$5,207,000 | \$7,236,000 | 6.0% | 2.6% |
| | Full Legal Status | \$2,186,000 | | \$5,727,000 | \$8,005,000 | 6.1% | |
| New Jersey | Current | \$265,945,000 | \$49,148,000 | \$272,322,000 | \$587,415,000 | 7.7% | 7.1% |
| | Full Legal Status | \$292,540,000 | \$69,036,000 | \$299,554,000 | \$661,130,000 | 7.9% | |
| New Mexico | Current | \$50,098,000 | \$3,956,000 | \$13,689,000 | \$67,743,000 | 9.1% | 4.8% |
| | Full Legal Status | \$55,108,000 | \$5,590,000 | \$15,058,000 | \$75,756,000 | 9.3% | |
| New York | Current | \$564,962,000 | \$182,675,000 | \$354,686,000 | \$1,102,323,000 | 8.9% | 8.1% |
| | Full Legal Status | \$621,458,000 | \$337,864,000 | \$390,154,000 | \$1,349,476,000 | 9.9% | |
| North Carolina | Current | \$163,163,000 | \$59,671,000 | \$54,568,000 | \$277,402,000 | 6.8% | 5.3% |
| | Full Legal Status | \$179,479,000 | \$131,276,000 | \$60,025,000 | \$370,780,000 | 8.3% | |
| North Dakota | Current | \$2,214,000 | \$123,000 | \$507,000 | \$2,844,000 | 7.1% | 3.0% |
| | Full Legal Status | \$2,435,000 | \$270,000 | \$558,000 | \$3,263,000 | 7.4% | |
| Ohio | Current | \$47,540,000 | \$15,649,000 | \$20,059,000 | \$83,247,000 | 7.8% | 5.5% |
| | Full Legal Status | \$52,294,000 | \$34,427,000 | \$22,064,000 | \$108,786,000 | 9.3% | |
| Oklahoma | Current | \$57,647,000 | \$10,935,000 | \$16,183,000 | \$84,765,000 | 7.8% | 4.3% |
| | Full Legal Status | \$63,411,000 | \$23,436,000 | \$17,801,000 | \$104,648,000 | 8.7% | |
| Oregon | Current | \$15,292,000 | \$29,831,000 | \$35,652,000 | \$80,775,000 | 5.5% | 6.5% |
| | Full Legal Status | \$16,821,000 | \$63,327,000 | \$39,217,000 | \$119,365,000 | 7.4% | |

Appendix 1: Detailed State and Local Tax Contributions of Total Undocumented Immigrant Population

Current vs. Full Legal Status for All Undocumented Immigrants

| | | Sales and Excise Tax Total | Personal Income Tax Total | Property Tax Total | Total State and Local Taxes | Undocumented Immigrant Effective Tax Rate | Top 1% Effective Tax Rate (All Taxpayers) ¹ |
|----------------|-------------------|----------------------------|---------------------------|------------------------|-----------------------------|---|--|
| Pennsylvania | Current | \$64,545,000 | \$34,440,000 | \$35,887,000 | \$134,872,000 | 7.2% | 4.2% |
| | Full Legal Status | \$71,000,000 | \$75,769,000 | \$39,475,000 | \$186,244,000 | 9.0% | |
| Rhode Island | Current | \$17,615,000 | \$3,887,000 | \$9,652,000 | \$31,154,000 | 7.4% | 6.3% |
| | Full Legal Status | \$19,377,000 | \$7,571,000 | \$10,617,000 | \$37,564,000 | 8.1% | |
| South Carolina | Current | \$43,859,000 | \$10,606,000 | \$13,288,000 | \$67,753,000 | 5.5% | 4.5% |
| | Full Legal Status | \$48,245,000 | \$23,333,000 | \$14,616,000 | \$86,195,000 | 6.4% | |
| South Dakota | Current | \$4,302,000 | No Income Tax | \$1,036,000 | \$5,338,000 | 8.0% | 1.8% |
| | Full Legal Status | \$4,732,000 | | \$1,140,000 | \$5,872,000 | 8.0% | |
| Tennessee | Current | \$91,169,000 | No Income Tax on Wages | \$16,260,000 | \$107,465,000 | 7.4% | 3.0% |
| | Full Legal Status | \$100,286,000 | | \$17,886,000 | \$118,251,000 | 7.4% | |
| Texas | Current | \$1,067,260,000 | No Income Tax | \$493,636,000 | \$1,560,896,000 | 8.6% | 2.9% |
| | Full Legal Status | \$1,173,985,000 | | \$543,000,000 | \$1,716,985,000 | 8.6% | |
| Utah | Current | \$40,863,000 | \$13,189,000 | \$15,718,000 | \$69,770,000 | 6.7% | 4.8% |
| | Full Legal Status | \$44,950,000 | \$29,015,000 | \$17,290,000 | \$91,255,000 | 8.0% | |
| Vermont | Current | \$1,515,000 | \$326,000 | \$1,094,000 | \$2,936,000 | 7.3% | 7.7% |
| | Full Legal Status | \$1,667,000 | \$540,000 | \$1,204,000 | \$3,411,000 | 7.7% | |
| Virginia | Current | \$121,514,000 | \$71,310,000 | \$63,142,000 | \$255,965,000 | 6.0% | 5.1% |
| | Full Legal Status | \$133,665,000 | \$152,803,000 | \$69,456,000 | \$355,924,000 | 7.6% | |
| Washington | Current | \$243,047,000 | No Income Tax | \$73,577,000 | \$316,624,000 | 10.7% | 2.4% |
| | Full Legal Status | \$267,352,000 | | \$80,935,000 | \$348,287,000 | 10.7% | |
| West Virginia | Current | \$3,531,000 | \$1,080,000 | \$501,000 | \$5,112,000 | 6.4% | 6.5% |
| | Full Legal Status | \$3,884,000 | \$2,376,000 | \$551,000 | \$6,811,000 | 7.7% | |
| Wisconsin | Current | \$36,367,000 | \$13,230,000 | \$22,195,000 | \$71,792,000 | 7.5% | 6.2% |
| | Full Legal Status | \$40,004,000 | \$27,273,000 | \$24,414,000 | \$91,691,000 | 8.7% | |
| Wyoming | Current | \$3,442,000 | No Income Tax | \$723,000 | \$4,165,000 | 5.2% | 1.2% |
| | Full Legal Status | \$3,787,000 | | \$795,000 | \$4,582,000 | 5.2% | |
| All States | Current | \$7,025,296,000 | \$1,131,236,000 | \$3,583,429,000 | \$11,739,961,000 | 8.0% | 5.4% |
| | Full Legal Status | \$7,727,826,000 | \$2,243,067,000 | \$3,941,771,000 | \$13,912,665,000 | 8.6% | |
| | Change | +\$702,530,000 | +\$1,111,831,000 | +\$358,343,000 | +\$2,172,703,000 | | |

¹ Institute on Taxation and Economic Policy, A Distributional Analysis of the Tax Systems in All Fifty States, 5th Edition, January 2015. www.whopays.org

Appendix 2: Data Used to Estimate State and Local Tax Contributions of Undocumented Immigrants

| | Estimated Total Undocumented Immigrant Population ¹ | Est. Share of Undocumented Immigrant Population who are Homeowners ² | Average Undocumented Family Income ³ | | Estimated Total Undocumented Immigrant Population ¹ | Est. Share of Undocumented Immigrant Population who are Homeowners ² | Average Undocumented Family Income ³ |
|---------------|--|---|---|----------------|--|---|---|
| Alabama | 71,000 | 29% | \$28,000 | Montana | 1,000 | 31% | \$30,600 |
| Alaska | 7,000 | 31% | \$30,600 | Nebraska | 38,000 | 37% | \$29,000 |
| Arizona | 244,000 | 36% | \$25,200 | Nevada | 129,000 | 32% | \$30,600 |
| Arkansas | 56,000 | 37% | \$28,400 | New Hampshire | 9,000 | 31% | \$30,600 |
| California | 3,019,000 | 27% | \$30,300 | New Jersey | 498,000 | 24% | \$35,100 |
| Colorado | 163,000 | 33% | \$29,600 | New Mexico | 68,000 | 45% | \$25,000 |
| Connecticut | 105,000 | 24% | \$35,900 | New York | 850,000 | 19% | \$33,300 |
| Delaware | 23,000 | 32% | \$34,800 | North Carolina | 338,000 | 33% | \$27,500 |
| Dist. of Col. | 27,000 | 23% | \$37,000 | North Dakota | 3,000 | 31% | \$30,600 |
| Florida | 610,000 | 33% | \$30,700 | Ohio | 83,000 | 26% | \$29,300 |
| Georgia | 377,000 | 33% | \$29,200 | Oklahoma | 85,000 | 38% | \$29,400 |
| Hawaii | 21,000 | 40% | \$39,600 | Oregon | 116,000 | 30% | \$28,900 |
| Idaho | 33,000 | 44% | \$28,200 | Pennsylvania | 137,000 | 30% | \$31,400 |
| Illinois | 519,000 | 39% | \$32,500 | Rhode Island | 29,000 | 20% | \$33,300 |
| Indiana | 94,000 | 40% | \$27,700 | South Carolina | 98,000 | 29% | \$28,700 |
| Iowa | 36,000 | 39% | \$29,500 | South Dakota | 5,000 | 31% | \$30,600 |
| Kansas | 63,000 | 44% | \$30,100 | Tennessee | 120,000 | 27% | \$27,900 |
| Kentucky | 45,000 | 21% | \$27,000 | Texas | 1,470,000 | 41% | \$28,200 |
| Louisiana | 66,000 | 20% | \$30,100 | Utah | 81,000 | 38% | \$29,300 |
| Maine | 5,000 | 31% | \$30,600 | Vermont | 3,000 | 31% | \$30,600 |
| Maryland | 253,000 | 32% | \$36,700 | Virginia | 272,000 | 32% | \$36,100 |
| Massachusetts | 173,000 | 21% | \$34,800 | Washington | 219,000 | 32% | \$30,900 |
| Michigan | 97,000 | 40% | \$29,500 | West Virginia | 6,000 | 31% | \$30,600 |
| Minnesota | 85,000 | 32% | \$30,500 | Wisconsin | 71,000 | 32% | \$30,800 |
| Mississippi | 25,000 | 23% | \$27,900 | Wyoming | 6,000 | 31% | \$30,600 |
| Missouri | 57,000 | 37% | \$28,900 | | | | |

¹ Migration Policy Institute (MPI) analysis of U.S. Census Bureau data from the 2010-2014 ACS pooled, and the 2008 Survey of Income and Program Participation (SIPP) by Colin Hammar and James Bachmeier of Temple University and Jennifer Van Hook of The Pennsylvania State University, Population Research Institute.

² Ibid.

³ Ibid.

⁴ Ibid.

| | | | |
|-------------------|-------------------|------------|-----------------|
| All States | 11,009,000 | 31% | \$30,700 |
|-------------------|-------------------|------------|-----------------|