

Considering Tax Contributions from Undocumented Immigrants in Florida

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On January 25, 2017, President Donald Trump issued an executive order detailing aggressive efforts to deport undocumented immigrants and calling for the immediate construction of a border wall with Mexico.¹ President Trump’s order threatens to withhold federal funds from “sanctuary jurisdictions,” state and municipal governments that fail to carry out this order and honor federal immigration detainers.

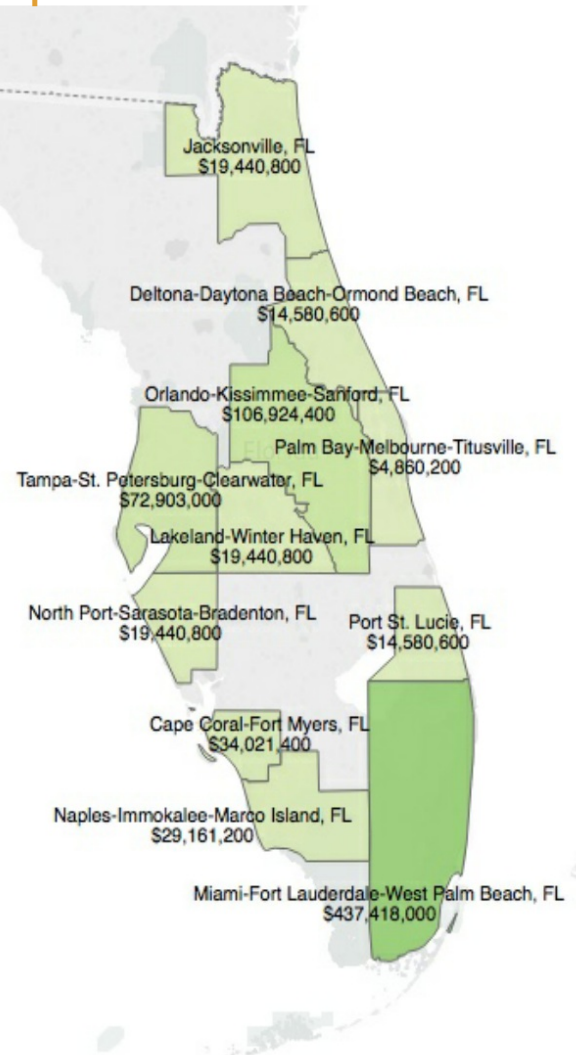
Questions regarding the legality of President Trump’s order has prompted many local governments to resist the implementation of the executive order.² As of February 10, 2017, about 226 local municipalities, four states, and Washington D.C. can be considered “sanctuary jurisdictions.”³ In Florida, six counties have opposed the implementation of immigration detainers: Broward, Hernando, Hillsborough, Palm Beach, Pasco, and Pinellas counties.

Estimated Total State and Local Tax Contributions from Undocumented Immigrants by Metropolitan Area in Florida

It is important that local officials consider the subsequent loss of local and state tax contributions from undocumented immigrants when deciding whether to advance the Trump administration’s mass deportation efforts. Undocumented immigrants currently contribute more than \$11.6 billion⁴ to state and local taxes nationwide.

Data show that Florida metropolitan areas benefit from millions of dollars in local and state taxes from undocumented immigrants. In particular, undocumented immigrants contribute more than \$437.4 million in taxes to the Miami-Fort Lauderdale-West Palm Beach metro area and nearly \$107 million to the Orlando-Kissimmee-Sanford area. Even relatively low density metro areas like the Naples-Immokalee-Marco Island area receive over \$29.1 million.

The estimated local and state tax contributions of undocumented immigrants point to the importance of undocumented immigrants to their communities and to the broader economy. Immigration has been shown to raise productivity, increase economic output,⁵ and raise innovation.⁶ Furthermore, regions that receive more immigrants tend to grow faster⁷ and benefit from improved institutions.⁸ According to the National Academies of Sciences, Engineering and Medicine, immigration to the United States from 1990 to 2010, both legal and unauthorized, produced net benefits worth \$50 billion a year to the native population.⁹ The National Academy report also shows that in 2015 alone, the 26 million first-generation immigrants in the U.S. labor market contributed \$2 trillion to the American economy.



Furthermore, the tax and economic benefits of immigrants would further increase if undocumented immigrants in the U.S. were granted a pathway to citizenship.¹⁰ However, the U.S. Congress has yet to pass comprehensive immigration reform legislation and the Trump administration is moving decidedly to increase deportations and limit legal forms of immigration.

Florida policymakers, and native residents, must acknowledge the economic and social contributions of immigrants to the wellbeing of our communities. It is in these contributions that we can see profound evidence that immigrants are actually Americans. Comprehensive immigration reform focused on a pathway to citizenship for the millions of immigrants in the U.S. and opposition to mass deportations are critical steps to honoring these contributions.

ENDNOTES

- 1) White House. 2017. *Executive Order. Enhancing Public Safety in the Interior of the United States.* <https://www.whitehouse.gov/the-press-office/2017/01/25/presidential-executive-order-enhancing-public-safety-interior-united>
- 2) American Civil Liberties Union. 2014. *ICE Detainers and the Fourth Amendment: What Do Recent Federal Court Decisions Mean?* https://www.aclu.org/sites/default/files/assets/2014_11_13_-_ice_detainers_4th_am_limits.pdf
- 3) Center for Immigration Studies. 2017. *Map: Sanctuary Cities, Counties, and States.* <http://cis.org/Sanctuary-Cities-Map>
- 4) Institute on Taxation and Economic Policy. 2016. *Undocumented Immigrants' State and Local Tax Contributions.* <http://www.itep.org/immigration/>
- 5) National Academies of Sciences, Engineering, and Medicine. 2016. *The Economic and Fiscal Consequences of Immigration.* <http://sites.nationalacademies.org/DBASSE/CNSTAT/Economic-and-Fiscal-Consequences-of-Immigration/index.htm>
- 6) Alesina, Alberto, Johann Harnoss, and Hillel Rapoport. 2013. *Birthplace Diversity and Economic Prosperity.* <http://www.nber.org/papers/w18699>
- 7) Lewis, Ethan and Giovanni Peri. 2014. *Immigration and the Economy of Cities and Regions.* <http://www.nber.org/papers/w20428>
- 8) Cato Institute. 2014. *Does Immigration Impact Institutions?* https://object.cato.org/sites/cato.org/files/pubs/pdf/working-paper-19_2.pdf
- 9) National Academies of Sciences, Engineering, and Medicine. 2016.
- 10) Institute on Taxation and Economic Policy. 2016.
- 11) Estimates based on data from: Pew Research Center. 2017. *Estimates of Unauthorized Immigrant Population, by Metro Area, 2014.* <http://www.pewhispanic.org/2017/02/13/estimates-of-unauthorized-immigrant-population-by-metro-area-2014/> and Institute on Taxation and Economic Policy. 2016.



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