

Children of Immigrants Targeted by Tax Warfare in Congress

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The fundamental injustice of the tax system grows clearer as tax day looms ominously over working people and a few hoard more and more of the nation's wealth. Short of a total collapse of capitalism, the primary redistributive remedy for this would be progressive taxation. But our tax policy gets it exactly backward, and it's about to get a bit worse. And as with so many wars of attrition against the working class, this one begins by shafting disenfranchised communities, especially immigrants.

While the rich are rolling in tax giveaways, a few credits actually give poor folks a break. One of these, the refundable child tax credit (CTC), applies to middle-class and poor parents alike and was claimed by some 21 million taxpayers in 2011, "which averaged about \$676 per child and totaled \$26.1 billion," according to Politico. For poor families, the CTC, together with its big sister the Earned Income Tax Credit, provides a lifeline to keep them from plunging below the poverty line.

Now some lawmakers advocate cutting off the child tax credit for tax filers who lack of Social Security number. The move is unabashedly aimed at making life harder for undocumented workers, even taxpaying ones, specifically by punishing their children.

Currently, the CTC is one federal tax benefit that people can claim using an Individual Tax Identification Number (ITIN) instead of a social security number. This effectively makes it available to undocumented workers—those who lack formal authorization.

The debate centers on whether children of undocumented workers, who are in many cases U.S.-born, should have the same modest benefits afforded to other working families. According to the First Focus Campaign for Children, the policy "could raise taxes on the families of more than 5.5 million children, including 4.5 million of whom are U.S. citizens." Children of immigrants are disproportionately Latino and poor, with an estimated two in five poor children growing up in the Latino community.

In addition to being cruel toward immigrant families in general, the proposal is inlaid with the pernicious stereotypes of children of undocumented immigrants, who have been demonized as "anchor babies." In fact, the canard of immigrant hordes procreating in hopes of using US-born kids as a springboard toward legalization is a myth peddled by anti-immigrant groups to stoke Malthusian demographic panic. But hey, an election year means open season on immigrants and endless bloviating about securing the border. Undocumented workers and other immigrants who cannot vote (despite being breadwinners and taxpayers for their families) can only watch as xenophobic spew greases the campaign trail.

Noting that child poverty is already aggravated by the economic crisis, First Focus President Bruce Lesley, President told *In These Times*, "When a policy makes it harder for children—any children—to succeed, that policy undermines America's future."

Some might argue the government should bar "illegal" workers from a benefit intended for hardworking citizens. Leaving aside the sheer bigotry of that logic, it runs counter to the sense that the real dysfunction in the tax system is that it keeps ungodly amounts of wealth in the hands of a tiny portion of the population—and all ordinary workers, whether they have papers or not, suffer the consequences.

Moreover, contrary to the popular stereotype that undocumented workers are a burden on the social

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service system, First Focus reports:

President George W. Bush's U.S. Internal Revenue Service Commissioner testified to Congress that undocumented immigrants paid nearly \$50 billion in federal income taxes using ITINs, during an eight-year period ending in 2003. The American Immigration Council reports that ITIN filers' paid more than \$9 billion in payroll taxes (which fund Social Security and [Medicare] systems for which undocumented immigrants are ineligible) during 2010.

So now lawmakers want to further exclude undocumented workers from the fiscal system, which already culls their wages to fund many Social Security and Medicare benefits that they can't redeem.

According to Politico's analysis of a Treasury Inspector General report, "in 2010, 2.18 million ITIN filers collected about \$4 billion in child tax credit refunds," but they also "reported \$46.3 billion in wages or an average of about \$21,240 per household." In other words, about 2 million really poor households got a little bit back to help care for their kids, and it's on their backs that some fiscal hawks in Congress have decided to curb "waste, fraud and abuse" in the tax code.

If lawmakers are looking for "waste" in the tax code, they shouldn't look at child tax credits. The Center for American Progress points out that each \$1 spent on the child tax credit yields \$1.38 in economic growth. Meanwhile, extending the pro-rich Bush tax cuts would yield only about \$0.35 on the dollar. And speaking of fraud and abuse, don't forget that the same kind of tax warfare on Capitol Hill has stymied a proposal for a small surtax on income above \$1 million, which would generate a cool \$155 billion over a decade.

If you simply think taxpaying immigrants don't deserve to live with the same dignity that others do, that's one thing. If you are ideologically committed to punishing workers without papers through the tax code, you won't be persuaded by these facts.

But reasonable hardworking people should understand that the real injustice of the tax system is that it's rigged against the most vulnerable. While some in Washington try to exploit anti-immigrant sentiment for political gain, they're ducking the problem that more and more of the 99 percent are confronting: the systemic fraud that feeds greed at the top and divides the poor against each other.

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