



The Bell Policy Center

Research • Advocacy • Opportunity

1801 Broadway, Suite 280
Denver, Colo. 80202
(303) 297-0456 metro Denver
(866) 283-8051 statewide
(303) 297-0460 fax

www.thebell.org

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Contact: Heather McGregor
(303) 297-0456 in metro Denver
(866) 283-8051 toll-free in Colorado

New briefs from Bell: Taxes paid by undocumented immigrants offset large share of federally mandated services

New findings from the Bell Policy Center show that undocumented immigrants in Colorado pay \$159 million to \$194 million in state and local taxes, an amount equal to 70 to 86 percent of their K-12 education, emergency health care and incarceration costs.

“Making calculations about a population that is trying to hide is not easy,” said Wade Buchanan, president of Bell Policy Center. “We have used the best sources available and have made conservative assumptions in making all of our calculations, and we are confident they provide a reasonably accurate picture of what is going on.”

The tax-to-costs ratio is calculated in two companion issue briefs that Bell Policy Center released today. (Hotlinks and URLs are on page 2.) The Colorado-specific briefs focus on state and local taxes paid by undocumented immigrants and the costs to state and local government of federally mandated services to undocumented immigrants.

Bell’s calculations show the estimated 225,000 to 275,000 undocumented immigrants now living in Colorado cost state and local governments nearly \$225 million a year for services that are mandated by federal law. That’s more than the Colorado Legislative Council’s recent estimate of \$217 million, but well below the \$1 billion a year estimate claimed by Defend Colorado Now, the group that sought a ballot question to deny non-mandated services to undocumented immigrants.

Bell’s calculations also show that undocumented immigrants pay \$159 million to \$194 million in state and local sales and property taxes and state income tax. This estimate is based on the assumption that about half of the state’s undocumented immigrants are working “on the books” jobs, and that about 70 percent send remittances to their home country.

These tax payments offset 70 to 86 percent of the \$225 million cost of providing the federally mandated K-12 education, emergency health care and incarceration, the reports conclude.

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“The debate so far has centered around the costs undocumented immigrants impose on state and local governments,” Buchanan said.

“We also need to consider the other side of the equation and look at the amount of taxes undocumented immigrants pay. When revenues are considered, the net effect on state and local governments is far below the amounts being touted by some politicians and other advocates,” Buchanan said.

“These calculations don’t include the amount undocumented workers pay in federal income and payroll taxes for Social Security and Medicare — benefits they will never collect,” he said. “The real issue may be that the federal government should do a better job reimbursing the states for these costs.”

Bell Policy Center is a nonprofit, nonpartisan think tank that works on social public policy issues in Colorado.

Copies of the new issue briefs are available on the Bell Policy Center’s web site, www.thebell.org.



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Hotlinks and URLs:

[State and local taxes paid in Colorado by undocumented immigrants](http://www.thebell.org/pdf/IMG/Brf3taxes.pdf)

<http://www.thebell.org/pdf/IMG/Brf3taxes.pdf>

[Costs of federally mandated services to undocumented immigrants in Colorado](http://www.thebell.org/pdf/IMG/Brf4costs.pdf)

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