

# Kentucky needs SB 6

## Nationally

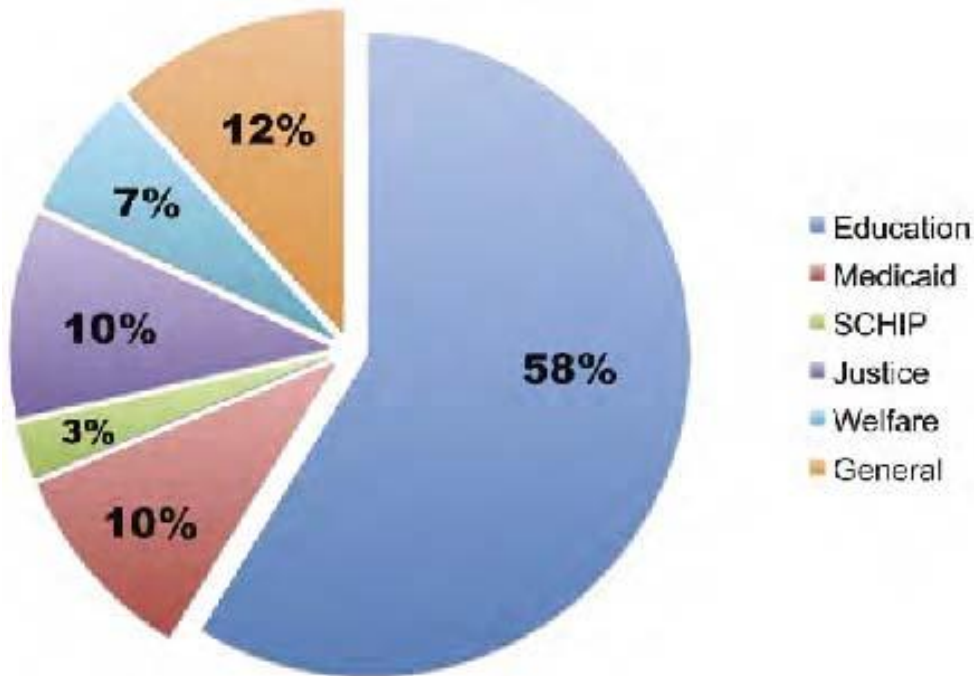
The annual outlay that illegal aliens cost U.S. taxpayers is an *average* amount per native headed household of \$1,117. The fiscal impact per household varies as the greatest share of burden falls on state and local taxpayers, depending on the size of the illegal alien population in that locality. (Kentucky’s burden, as of now, is closer to \$500 per household annually.)

**Education for the children of illegal aliens constitutes the single largest cost to taxpayers, at an annual price tag of nearly \$52 billion. Nearly all of those costs are absorbed by state and local governments.**

At the federal level, about one-third of outlays are matched by tax collections from illegal aliens. **At the state and local level, an average of less than 5 percent of the public costs associated with illegal immigration is recouped through taxes collected from illegal aliens.**

Most illegal aliens do not pay income taxes. Among those who do, much of the revenues collected are refunded to the illegal aliens when they file tax returns (via fake SS# or tin#). Many are also claiming tax credits resulting in payments from the U.S. Treasury.

## State/Local Fiscal Outlays for Illegal Aliens (average)



## **Annual Kentucky state/local expenditures**

**\$326 Million**

Stats from 2007

**Education** (illegal alien children/US born siblings) **\$149 million**

**Medical Care** (Emergency Medicaid)

Hospital Births – \$2.2 million

Other emergency services – \$16.3 million

SCHIP insurance – \$1.1 million

SCHIP insurance for US born children of illegal parents - \$4.4 million

TOTAL - \$24 million

**Administration of Justice Outlays**

Police – \$7.3 million

Judicial – \$4.3 million

Corrections – \$10.8 million

TOTAL – \$22.4 million

State Criminal Alien Assistance Program (SCAAP) – branch of the USDOJ

Ky. Dept. of Corrections – \$73,508

Lexington Fayette Urban County Government - \$181,107

Marion Co. - \$1,497

Shelby Co. - \$33,760

TOTAL reimbursement to state by USDOJ – \$289,872

<http://www.ojp.usdoj.gov/BJA/grant/scaap.html>

**Child care** - \$12 million

**Temporary Assistance to Needy Families (TANF)** - \$34.9 million

**General Expenditures** - \$83 million

(fire departments, garbage collection, street cleaning and maintenance – local tax supported services, recreation/park facilities)

## **State and Local Government Outlays on Illegal Aliens**

<b>K-12</b>	<b>LEP</b> (limited English)	<b>Medicaid</b>	<b>SCHIP+</b>	<b>Justice</b>	<b>Welfare+</b>	<b>General</b>
<b>\$124.3</b>	<b>\$25</b>	<b>\$18.5</b>	<b>\$5.5</b>	<b>\$22.1</b>	<b>\$46.9</b>	<b>\$83</b>

**Total - \$326 million**

Because individual state numbers were too difficult to estimate due to unreported data, these costs do not include judicial language interpretation services or state/locally funded public housing.

## State and Local Taxes Collected

Illegal aliens are not typical taxpayers. The large proportion of illegal aliens that works in the underground economy avoids income tax withholding. Because illegal aliens are largely poorly educated and poorly skilled, their earnings are on average significantly lower. The low earnings level is likely to result in illegal aliens employed in the above-ground economy being able to draw money from the state treasuries—rather than contributing taxes—where tax credit provisions exist.

Even when compared to American workers who have only — or less than — a high school education, illegal alien workers will differ in their tax payment profile. One is that they likely will have family members living abroad to whom they send money, i.e., remittances. That reduces their disposable income. Illegal aliens are also more likely to live in multi-family dwelling arrangements which means that their share of property tax contributions is reduced.

This study looks at the individual practices of states in terms of income taxes, offsetting credits to low-income residents, sales taxes and property taxes.

### **Tax Receipts** (annually, in millions)

Property tax- \$4.8 million

Sales tax – \$7.6

Income tax - \$5

TOTAL– \$17.4 million

### **Net Fiscal Costs**

When estimated tax collections from illegal aliens in the state are subtracted from the estimated expenditures, the result is the net fiscal burden. Compared to the federal net fiscal burden of about \$19.4 billion, the collective net burden at the state and local level is about 4.5 times larger at about \$89.2 billion.

The estimated tax collections from illegal alien workers would not disappear if the illegal alien population were to markedly decrease as a result of restriction on access to jobs and more effective interior enforcement. Experience with immigration enforcement at job sites with many illegal aliens on the payroll has shown that those employers do not go out of business; they find other workers. That means that the tax collections continue after the deportation of the illegal alien family. Experience also shows that when illegal workers are replaced with legal ones, wages, and consequently tax collections, tend to increase. Additionally, social assistance outlays presumably decrease as newly legally hired replacement workers become self-sufficient.

**Net Fiscal Costs**    **Outlays - \$326.2 million**  
                                  **Taxes - \$17.4**  
                                  **Net Cost - \$308.8 million**

Source: [http://www.fairus.org/site/DocServer/USCostStudy\\_2010.pdf?docID=4921](http://www.fairus.org/site/DocServer/USCostStudy_2010.pdf?docID=4921)

## *Similar law working in Missouri*

Some in the Kentucky Senate were concerned about the fiscal impact regarding incarceration and law enforcement costs that might stem from this bill.....

## State arrests of illegal immigrants down

Thursday, September 23, 2010

**JEFFERSON CITY, MO (AP) — The number of illegal immigrants arrested by Missouri troopers has fallen significantly in the three years since the state began checking the residency status of everyone booked into jail.**

The Missouri State Highway Patrol turned up an average of one illegal immigrant per day during the initial months after former Republican Gov. Matt Blunt ordered it to check the immigration status of everyone it incarcerated in August 2007, according to records obtained by The Associated Press.

But the number of illegal immigrants found by those checks declined by more than 40 percent in 2008 and an additional 30 percent in 2009, according to the patrol records. It has leveled off at that lower rate this year.

Missouri's gubernatorial directive was expanded to all police by a state law that took effect in August 2008 and has continued to be enforced since Democrat Jay Nixon became governor in 2009.

Since the beginning of the mandatory status checks through Sept. 18, the Missouri State Highway Patrol incarcerated 602 people it determined were in the U.S. illegally. More than half of those occurred in the first 16 months of the program, according to patrol records.

There were a couple of sizable busts of illegal immigrants in 2007 and 2008. But the patrol hasn't changed its procedures nor its emphasis on conducting the immigration checks, said spokesman Lt. John Hotz.

"There's really no reason why the number of illegals has gone down from our perspective," Hotz said.

Advocates for immigrants and the Hispanic community say the decline might be because of the poor economy, which has led fewer people to come to the United States and to Missouri.

"People come here for jobs, and if there aren't jobs available, then they don't come in the same numbers," said Joan Suarez, chairwoman of the board of Missouri Immigrant and Refugee Advocates.

Source: <http://www.columbiatribune.com/news/2010/sep/23/state-arrests-of-illegal-immigrants-down/>