Undocumented Immigrants Pay $33.4 Million in State & Local Taxes in Rhode Island

Contributions Would Increase by $7.0 Million Under Reform

Undocumented immigrants contribute more than $11.6 billion to state and local coffers each year, including $33.4 million in Rhode Island, according to a new study released by the Institute on Taxation and Economic Policy (ITEP). The study, Undocumented Immigrants’ State and Local Tax Contributions, also estimates that Rhode Island stands to gain $2.5 million in increased revenue under full implementation of the Obama administration’s 2012 and 2014 executive actions and by more than $7.0 million under comprehensive immigration reform.

EPI’s Executive Director, Rachel Flum notes that “This report shows that undocumented immigrants are contributing to Rhode Island’s economy through sales, property and income taxes. State law makers should take this into account and approve policies that help these residents live safely in our state until comprehensive immigration reform at the federal level provides a pathway to legal status. Providing driver’s licenses for undocumented residents is one such policy”

The report found that undocumented immigrants contribute $4.1 million in personal income taxes, $11.1 million in property taxes, and $18.3 million in sales and excise taxes to Rhode Island’s. These tax contributions would be larger if all undocumented immigrants were granted legal status under a comprehensive immigration reform and if President Obama’s 2014 executive action were upheld.

“Regardless of the politically contentious nature of immigration reform, the data show undocumented immigrants greatly contribute to our nation’s economy, not just in labor but also with tax dollars,” said Meg Wiehe, ITEP State Tax Policy Director. “With immigration policy playing a key role in state and national debates and President Obama’s 2014 executive action facing review by the Supreme Court accurate information about the tax contributions of undocumented immigrants is needed now more than ever.”

To view the full report or to find state-specific data, go to www.itep.org/immigration/.

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About the Institute
The Institute is a non-partisan research and policy organization that works for policies that improve economic security and opportunity for Rhode Islanders. For more information visit www.economicprogressri.org.