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## If the IRS betrays immigrants, we all pay the price

By Marcela García Globe Columnist, Updated March 14, 2025, 12:00 p.m.



A sign for the Internal Revenue Service (IRS) is seen outside its building on February 13, 2025 in Washington, DC. KAYLA BARTKOWSKI/GETTY

After a recent column on immigration, in which I mentioned an unauthorized immigrant paying taxes, a reader wrote to ask: "The person you refer to in your article apparently does not have a Social Security number. If so, how could he

pay his taxes? The article seems to state he has been a taxpayer for years. What do I miss?" [sic]

The reader, a naturalized citizen himself, was missing something I often assume is common knowledge — but in reality, isn't widely understood at all.

<u>Millions of immigrants living in the country illegally still pay income taxes every year</u>, contributing billions to federal, state, and local governments, often through the <u>Individual Taxpayer Identification Number</u> program (ITIN), which allows those without Social Security numbers to file returns. (Of course, immigrants — like everyone else — also pay sales taxes, gas taxes, etc.)

This system has long stood as proof that immigration and tax enforcement are two different worlds, a separation that has encouraged unauthorized immigrants to pay taxes and generated revenue for the government. But now, the integrity of that system is under threat.

In a shocking breach of public trust, the Department of Homeland Security has reportedly pressured the Internal Revenue Service to <a href="https://hand.over.the.addresses.of">hand.over.the.addresses.of</a> roughly 700,000 unauthorized immigrants it is seeking to deport. If the IRS complies, it will shatter the integrity of a tax system that relies on voluntary compliance, risking long-term damage to tax enforcement and public confidence.

Tax records are supposed to be sacrosanct — the law ensures that personal taxpayer information is strictly confidential, with very few exceptions. If the IRS betrays that principle, it sends a chilling message: Filing taxes is a trap.

"People will be too afraid if they're put in the position of complying with their tax obligations at the risk of deportation," Angela Divaris, an attorney with Greater Boston Legal Services's <u>Low Income Taxpayer Clinic</u>, said in an interview. "Anybody can predict that the tax returns are going to just plummet."

So how do immigrants who don't qualify for a Social Security number file their tax returns? They apply to <u>get an ITIN</u>, a nine-digit tax processing number issued by the IRS. But not every ITIN holder is an unauthorized immigrant. Spouses and dependents of green card holders or US citizens, foreign students, and others who need to file tax returns but lack SSNs also use them. As of December 2022, <u>more than 5.8 million ITINs were active</u>.

"The ITIN is not a work permit, the ITIN does not change your immigration status," Divaris said. "The IRS doesn't necessarily care if you have a work permit. They care if you work."

That's why <u>some car dealerships</u> openly advertise financing options for ITIN holders, Divaris told me. Despite their legal limbo, unauthorized immigrant workers are a major part of the economy — and they contribute more than many realize.

In 2020 alone, unauthorized immigrants paid approximately \$96.7 billion in federal, state, and local taxes, the latest available data from the Institute on Taxation and Economic Policy (ITEP). This includes \$25.7 billion in Social Security taxes and \$6.4 billion in Medicare taxes. In Massachusetts, they paid \$650 million in state and local taxes.

The US tax system relies on voluntary compliance, on the idea that people file their returns and pay their taxes because they trust that their information will remain private. "We're the envy of other countries because so many people just voluntarily give the IRS their information and pay the appropriate tax," Divaris said. "The basis of the voluntary compliance is that you trust the system that they're going to keep your information safe and private. But we all lose if compliance goes down, because then your revenues go down."

Indeed, <u>according to a new analysis by ITEP</u>, for every 10-percentage point drop in tax compliance among the unauthorized immigrant population, tax revenues would decrease by \$9.5 billion annually. That's money that funds

public services, schools, roads, and social programs that benefit everyone — citizens and immigrants alike.

<u>Advocacy groups have already sued</u> the Trump administration to stop the IRS from releasing any taxpayer information to aid in the president's mass deportation efforts. But fear is already spreading among immigrants who rely on ITINs to comply with tax laws.

Elizabeth, an unauthorized immigrant from the Dominican Republic, lives in Boston with her three children under the age of 10. She wants to apply for an ITIN to claim Massachusetts Child and Family Tax Credit, which would amount to about \$440 per dependent. She wants to use the funds to start her own small business baking cakes and selling cake toppers.

But she is afraid of being deported and "not being present in my children's lives," she told me in an interview in Spanish.

"I'm stuck between a rock and a hard place, but I still want to move forward," Elizabeth told me, confirming she will apply to get her ITIN despite the risk. "I want to progress."

This is an excerpt from <u>iMira!</u>, a Globe Opinion newsletter from columnist Marcela García. <u>Sign up to get iMira! in</u> your inbox each week.

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