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Undocumented Immigrants' State and Local Tax Contributions

The potential fiscal costs of legalizing undocumented immigrants have been central to the immigration reform debate. This report contributes the most reliable figures available about the potential benefits to state governments, showing that the 11.2 million undocumented immigrants living in the United States are already paying a significant share of their income in state and local taxes, and that figure would rise under immigration reform.¹

A report from the non-partisan Congressional Budget Office (CBO) estimated the impact the immigration bill passed in the Senate would have at the federal level and found that it would decrease the deficit and generate more than \$450 billion in additional federal revenue over the next decade.²

This report provides state-by-state estimates of the state and local tax contributions of the 11.2 million undocumented immigrants living in the United States.

The key findings are:

- Undocumented immigrants currently contribute significantly to state and local taxes, collectively paying an estimated **\$10.6 billion** in 2010 with contributions ranging from less than \$2 million in Montana to more than \$2.2 billion in California. This means these families are likely paying about **6.4 percent** on average of their income in state and local taxes.
- Allowing undocumented immigrants to work in the United States legally would increase their state and local tax contributions by an estimated **\$2 billion** a year. Their effective state and local tax rate would also increase to **7 percent** on average, which would put their tax contributions more in line with documented taxpayers with similar incomes.

Undocumented immigrants pay state and local taxes

Like other people living and working in the United States, undocumented immigrants currently contribute a significant share of their income to state and local taxes. In addition to paying sales and excise taxes when they purchase goods and services like utilities, clothing and gasoline, undocumented immigrants also pay property taxes directly on their homes or indirectly as renters, and at least half are paying income taxes despite lacking legal status.³

Collectively, undocumented immigrants paid an estimated total of \$10.6 billion in state and local taxes in 2010 (see Table 1 on page 2 for state-by-state estimates of aggregate taxes paid). This includes \$1.2 billion in personal income taxes and \$1.2 billion in property taxes. Sales and excise taxes account for 77 percent of their state and local tax contributions, amounting to more than \$8 billion.

Another way to measure the state and local taxes undocumented immigrants pay is through their effective tax rate, which is the share of a taxpayer's income that goes to paying taxes. The effective tax rate is a useful measure to more accurately compare taxes between states because it accounts for differences between states' tax structures and population size. Undocumented immigrants' overall effective tax rate in 2010 was 6.4 percent.

Undocumented immigrants make up 5 percent of the labor force and are a small share of most states' populations.⁴ So, while the aggregate state and local taxes paid by undocumented immigrants in each state may seem modest compared to overall tax collections, their effective rate is close to taxpayers in similar income situations and, in many states, can be higher than the effective tax rates paid by upper income taxpayers.

Allowing undocumented immigrants to legally work in the United States would boost their state and local tax contributions

Allowing the 11.2 million undocumented immigrants living in the United States to work here legally would boost their state and local tax contribution, bringing it more in line with residents with similar incomes. This analysis assumes that legalization would increase immigrant wages both because of their increased bargaining power with employers and because of their increased investment in their own language and skill development, thus increasing the taxes paid by those same immigrants.⁵ But, the most significant revenue gain comes from simply having these immigrants fully participate in the federal, state and local tax system, requiring them to pay state personal income taxes. In states with Earned Income Tax Credits, the income tax gains would be offset in part by immigrants being newly eligible to claim the federal credit and thus the state versions.⁶

If the 11.2 million undocumented immigrants in the United States were to gain legal status, their state and local tax contributions would increase by more than \$2 billion over their current tax contributions (See Table 1 to the right). Personal income taxes account for 74 percent of the revenue gain, increasing collections by almost \$1.6 billion. Sales and excise taxes would increase by \$420 million, and property taxes would grow by \$76 million. The overall state and local effective tax rate paid by this immigrant population would increase from 6.4 to 7.0 percent, on average.

See **Appendix 1** for state-by-state estimates of the current and post-reform effective tax rates and totals for sales, property and income paid by undocumented immigrants.

| STATE | CURRENT | POST- REFORM | TAX CHANGE |
|-------------------|-------------------------|-------------------------|-------------------------|
| Alabama | 118,100,000 | 148,884,000 | +30,784,000 |
| Alaska | 2,127,000 | 2,252,000 | +125,000 |
| Arizona | 374,452,000 | 430,223,000 | +55,771,000 |
| Arkansas | 72,433,000 | 88,874,000 | +16,441,000 |
| California | 2,237,951,000 | 2,565,069,000 | +327,118,000 |
| Colorado | 152,243,000 | 195,221,000 | +42,978,000 |
| Connecticut | 118,707,000 | 146,564,000 | +27,857,000 |
| Delaware | 12,084,000 | 17,430,000 | +5,346,000 |
| Dist. of Col. | 25,568,000 | 32,640,000 | +7,072,000 |
| Florida | 706,281,000 | 747,439,000 | +41,158,000 |
| Georgia | 359,828,000 | 456,561,000 | +96,733,000 |
| Hawaii | 60,266,000 | 79,582,000 | +19,316,000 |
| Idaho | 26,734,000 | 32,208,000 | +5,474,000 |
| Illinois | 562,093,000 | 711,658,000 | +149,565,000 |
| Indiana | 108,920,000 | 141,715,000 | +32,795,000 |
| Iowa | 64,058,000 | 82,147,000 | +18,089,000 |
| Kansas | 58,911,000 | 69,220,000 | +10,309,000 |
| Kentucky | 58,807,000 | 81,990,000 | +23,183,000 |
| Louisiana | 85,908,000 | 102,985,000 | +17,077,000 |
| Maine | 3,652,000 | 4,484,000 | +832,000 |
| Maryland | 344,584,000 | 507,617,000 | +163,033,000 |
| Massachusetts | 150,091,000 | 208,065,000 | +57,974,000 |
| Michigan | 125,882,000 | 161,155,000 | +35,273,000 |
| Minnesota | 68,584,000 | 81,662,000 | +13,078,000 |
| Mississippi | 48,048,000 | 60,758,000 | +12,710,000 |
| Missouri | 44,030,000 | 57,192,000 | +13,162,000 |
| Montana | 1,797,000 | 2,729,000 | +932,000 |
| Nebraska | 42,341,000 | 52,589,000 | +10,248,000 |
| Nevada | 123,827,000 | 130,017,000 | +6,190,000 |
| New Hampshire | 5,544,000 | 5,848,000 | +304,000 |
| New Jersey | 476,352,000 | 557,592,000 | +81,240,000 |
| New Mexico | 86,702,000 | 93,180,000 | +6,478,000 |
| New York | 744,276,000 | 968,402,000 | +224,126,000 |
| North Carolina | 253,127,000 | 336,607,000 | +83,480,000 |
| North Dakota | 4,830,000 | 5,609,000 | +779,000 |
| Ohio | 72,809,000 | 95,000,000 | +22,191,000 |
| Oklahoma | 70,742,000 | 84,496,000 | +13,754,000 |
| Oregon | 93,863,000 | 154,902,000 | +61,039,000 |
| Pennsylvania | 149,035,000 | 212,947,000 | +63,912,000 |
| Rhode Island | 30,403,000 | 38,388,000 | +7,985,000 |
| South Carolina | 33,445,000 | 40,717,000 | +7,272,000 |
| South Dakota | 4,908,000 | 5,169,000 | +261,000 |
| Tennessee | 133,043,000 | 141,273,000 | +8,230,000 |
| Texas | 1,608,534,000 | 1,700,319,000 | +91,785,000 |
| Utah | 102,004,000 | 132,551,000 | +30,547,000 |
| Vermont | 2,784,000 | 2,812,000 | +28,000 |
| Virginia | 182,984,000 | 259,605,000 | +76,621,000 |
| Washington | 292,067,000 | 312,290,000 | +20,223,000 |
| West Virginia | 3,838,000 | 5,043,000 | +1,205,000 |
| Wisconsin | 98,667,000 | 131,297,000 | +32,630,000 |
| Wyoming | 4,038,000 | 4,295,000 | +257,000 |
| All States | \$10,612,300,000 | \$12,687,276,000 | +\$2,074,976,000 |

Methodology used to calculate state and local tax contributions of undocumented immigrants

While the spending and income behavior of undocumented immigrant families is not as well documented as is the case for other U.S. residents, the estimates in this report represent a best approximation of the taxes undocumented immigrant families likely pay.

The ITEP methodology used to calculate the current and potential tax contribution of undocumented immigrants uses four main data points:

- 1) Estimated undocumented immigrant population in each state.
- 2) Average number of people living in undocumented families (in which at least one adult is undocumented).
- 3) Average annual family income of undocumented immigrants in each state.
- 4) Estimated effective tax rates (taxes as share of income) for income, sales and property taxes paid by low- and moderate-income families in each state.

Additional assumptions were made (and described below) about the change in tax contributions from allowing the current 11.2 million undocumented immigrants to work in the United States legally.

See **Appendix 2** for state-by-state details on the data used to assist in calculating the state and local tax contributions.

Number of undocumented immigrants living in each state

Estimates of each state's undocumented immigrant population are from the Pew Hispanic Center, which produces the most widely used estimates of the undocumented population.⁷ According to Pew, there were an estimated 11.2 million undocumented immigrants in the U.S. as of 2010. Pew also estimates a range of the undocumented population for most states and provides a mid-point estimate which ITEP used in its calculations.

Average size of undocumented immigrant families

The Pew Hispanic Center also calculates a nationwide estimate of the number of people per undocumented immigrant family. The most recent estimate, 2.29, is used to find an estimated number of undocumented families, or taxpaying units, by state.⁸ This includes one-person families. ITEP divided the mid-point population estimate for each state by the average family size to find an estimated number of undocumented families living in each state.

Average annual undocumented immigrant family income

The undocumented U.S. immigrant average family incomes for each state were estimated using the 2009-2011 American Community Survey (ACS). The residual method was used to identify likely undocumented immigrants by identifying non-citizens and subtracting out persons based on ACS reporting of year of immigration, ancestry, education, occupation, and high earners. To account for a small sample size in 10 states, the 2009-2011 ACS was used to find the state-by-state average incomes for all families with 12 years of school or less with the assumption that most undocumented immigrants have similar educational attainment levels. A ratio of state to national average for the all family low educational attainment records was applied to the national average income for undocumented families to approximate an average annual income in those states.

Estimated effective tax rates (taxes as share of income) for income, sales and property taxes paid by low- and moderate-income families in each state.

ITEP's microsimulation computer model is a sophisticated program that applies the state and local tax laws in each state—including income, sales, excise and property tax laws—to a statistically valid database of tax returns to generate estimates of the effective tax rates paid by taxpayers at various income levels under current law. In January of 2013, ITEP released a report, "Who Pays," which estimates the impact of the permanent state and local tax laws in effect as of January 2013 on taxpayers at 2010 income levels.⁹ This report applies the effective tax rates calculated in our most recent "Who Pays" report to the undocumented population.

The following assumptions were made to calculate the sales, property and income taxes of the undocumented immigration population:

- **Sales tax:** Sales taxes are collected by retailers every time a purchase is made on a taxable good or service. It is reasonable to assume that undocumented immigrants pay sales tax at similar rates to U.S. citizens and legal immigrants with similar incomes. This analysis adjusts the state estimated annual incomes downward by 10 percent for purposes of calculating the sales tax paid to account for remittances. Research shows that undocumented immigrants send an estimated 10 percent of their income to families in their countries of origin, which means that this portion of undocumented taxpayers' income will not be used for taxable consumption.¹⁰
- **Property tax:** The first step in calculating property taxes was to identify the share of undocumented immigrant families who are homeowners or renters in each state. This analysis assumed a very conservative national estimated homeownership rate for undocumented immigrants of 20 percent based on research provided by the Pew Hispanic Center. Using data from the Census Bureau's Current Population Survey, this analysis adjusted the homeownership rate in each state to better reflect overall shares of homeowners compared to renters in each state.

The model assumes that for renters, half of the cost of the property tax paid initially by owners of rental properties is passed through to renters.

- **Income tax:** Various studies have estimated between 50 and 75 percent of undocumented immigrants currently pay personal income taxes either using false social security (SSN) or individual tax identification (ITIN) numbers.¹¹ This analysis assumes a 50 percent compliance rate for current taxes and 100 percent post-reform.

The model assumes that currently, undocumented taxpayers are unable to claim state Earned Income Tax Credits in the states where they are available to documented taxpayers. This has the effect of increasing the effective income tax rates paid by these undocumented taxpayers now.

Additional indicators used to make calculations for anticipated state and local tax changes from allowing undocumented immigrants to work legally

- **Wage boost:** Researchers at the Fiscal Policy Institute examined a number of studies on immigrant wages including some on the experience of legalization post-1986 immigration reform on wages as well as more recent studies. The consistent finding was that legal immigrants had higher wages than undocumented immigrants and that gaining legal status could boost wages anywhere between 6 and 15 percent after a period of a few years.¹² A Congressional Budget Office report on the economic impact of immigration reform estimated the eventual wage boost to be 12 percent.¹³

This analysis assumes a conservative estimate of a 10 percent wage hike post-legalization. An increase in income contributes to a slight increase in the sales, property and income tax payments of the currently undocumented immigrant population.

- **Personal income tax compliance:** As explained above, current estimates of undocumented immigrants' income tax compliance rates ranges from 50 to 75 percent. To calculate the anticipated income tax gain from allowing undocumented immigrants to work in the U.S. legally, this analysis assumes full compliance with state personal income tax laws post-reform.
- **Earned Income Tax Credit eligibility:** Undocumented immigrants are currently ineligible to receive the federal Earned Income Tax Credit (EITC). The federal EITC was introduced in 1975 to provide targeted tax reductions to low-income workers. The credit varies with income levels and is based on earned income such as salaries and wages as well as family size.

This analysis assumes that these immigrants would become eligible for the credit if legalized thus making them eligible for the state versions of the credit. The states with permanent EITCs included in this report are: Connecticut, District of Columbia, Delaware, Iowa, Illinois, Indiana, Kansas, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Nebraska, New Jersey, New Mexico, New York, Oklahoma, Oregon, Rhode Island, Virginia, Vermont, and Wisconsin. North Carolina is excluded because the state's EITC expires in 2013. Colorado and Washington are excluded because their EITCs are currently unfunded. 📌

¹ Jeffrey S. Passel and D'Vera Cohn, Unauthorized Immigrant Population, National and State Trends, 2010, Pew Hispanic Center, Feb. 1, 2011) <http://pewhispanic.org/files/reports/133.pdf>

² Cost Estimate for S. 744 (Border Security, Economic Opportunity, and Immigration Modernization Act), Congressional Budget Office, June 2013. <http://cbo.gov/sites/default/files/cbofiles/attachments/s744.pdf>

³ See this report's methodology section for more information about tax compliance.

⁴ Passel and Cohn, Unauthorized Immigrant Population, National and State Trends, 2010, Pew Hispanic Center, Feb. 1, 2011.

⁵ See this report's methodology section for more information on the wage effects of legalization on the undocumented population.

⁶ Currently, undocumented immigrants are not eligible for the Earned Income Tax Credit. This analysis assumes that newly legalized immigrants will be eligible for the credit if their incomes qualify them for it.

⁷ Passel and Cohn, Unauthorized Immigrant Population, National and State Trends, 2010, Pew Hispanic Center, Feb. 1, 2011.

⁸ Passel and Cohn, Unauthorized Immigrant Population, National and State Trends, 2010, Pew Hispanic Center, Feb. 1, 2011.

⁹ Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, Institute on Taxation and Economic Policy, January 2013. <http://whopays.org>

¹⁰ See, for example, Manuel Orozco, Remittances to Latin America and the Caribbean: Issues and Perspectives on Development, Report Commissioned by the Organization of American States, September 2004.

¹¹ See among others: Feinleib, Joel and David Warner, The Impact of Immigration on Social Security and the National Economy, Social Security Advisory Board, Issue Brief No. 1, December 2005 (available at www.ssab.gov/brief-1-immigration.pdf); Singer, Paula and Linda Dodd-Major, Identification Numbers and U.S. Government Compliance Initiatives, Tax Analysts Special Report, 2004; and Cornelius, Wayne and Jessica Lewis, Impacts of Border Enforcement on Mexican Migration: The View from Sending Communities, La Jolla, Calif.: University of California at San Diego, Center for Comparative Immigration Studies, 2007.

¹² David Dyssegaard Kallick, Three Ways Immigration Reform Would Make the Economy More Productive, Fiscal Policy Institute, June 4 2013. See Appendix A: A Review of the Literature on Legalization and Earnings. <http://fiscalpolicy.org/wp-content/uploads/2013/06/3-ways-reform-would-improve-productivity.pdf>

¹³ The Economic Impact of S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act, Congressional Budget Office, June

Appendix 1: Detailed State and Local Tax Contributions, Current and Post-Reform

| STATE | Sales and Excise Total | Property Total | Income Total | Total State and Local \$ | Effective Tax Rate | Components of Income Tax Change | | | |
|---------------|------------------------|----------------|--------------|--------------------------|--------------------|---------------------------------|-----------------|---------------|-------------|
| | | | | | | Projected Wage Increase | Full Compliance | State EITC | |
| Alabama | Current | 90,950,000 | 7,597,000 | 19,553,000 | 118,100,000 | 7.3% | | | |
| | Post-Reform | 96,047,000 | 8,123,000 | 44,714,000 | 148,884,000 | 8.4% | 2,804,000 | 22,357,000 | No EITC |
| Alaska | Current | 1,742,000 | 385,000 | No Income Tax | 2,127,000 | 2.2% | | No Income Tax | |
| | Post-Reform | 1,783,000 | 470,000 | | 2,252,000 | 2.1% | | | |
| Arizona | Current | 305,892,000 | 39,384,000 | 29,176,000 | 374,452,000 | 7.3% | | | |
| | Post-Reform | 320,926,000 | 41,932,000 | 67,365,000 | 430,223,000 | 7.6% | 4,507,000 | 33,683,000 | No EITC |
| Arkansas | Current | 58,540,000 | 4,494,000 | 9,399,000 | 72,433,000 | 8.8% | | | |
| | Post-Reform | 61,724,000 | 4,898,000 | 22,252,000 | 88,874,000 | 9.8% | 1,727,000 | 11,126,000 | No EITC |
| California | Current | 1,783,048,000 | 302,803,000 | 152,100,000 | 2,237,951,000 | 5.9% | | | |
| | Post-Reform | 1,860,700,000 | 320,094,000 | 384,275,000 | 2,565,069,000 | 6.1% | 40,038,000 | 192,138,000 | No EITC |
| Colorado | Current | 108,075,000 | 17,095,000 | 27,074,000 | 152,243,000 | 5.9% | | | |
| | Post-Reform | 114,709,000 | 18,445,000 | 62,068,000 | 195,221,000 | 6.9% | 3,960,000 | 31,034,000 | No EITC |
| Connecticut | Current | 82,439,000 | 15,726,000 | 20,542,000 | 118,707,000 | 5.6% | | | |
| | Post-Reform | 87,160,000 | 16,102,000 | 43,302,000 | 146,564,000 | 6.3% | 4,950,000 | 25,492,000 | -7,683,000 |
| Delaware | Current | 6,271,000 | 1,309,000 | 4,505,000 | 12,084,000 | 3.2% | | | |
| | Post-Reform | 6,389,000 | 1,393,000 | 9,648,000 | 17,430,000 | 4.1% | 721,000 | 5,226,000 | -803,000 |
| Dist. of Col. | Current | 16,825,000 | 3,275,000 | 5,468,000 | 25,568,000 | 7.3% | | | |
| | Post-Reform | 18,099,000 | 3,556,000 | 10,984,000 | 32,640,000 | 8.5% | 893,000 | 6,361,000 | -1,737,000 |
| Florida | Current | 633,657,000 | 72,624,000 | No Income Tax | 706,281,000 | 6.7% | | No Income Tax | |
| | Post-Reform | 668,295,000 | 79,144,000 | | 747,439,000 | 6.5% | | | |
| Georgia | Current | 265,523,000 | 34,042,000 | 60,263,000 | 359,828,000 | 6.8% | | | |
| | Post-Reform | 280,511,000 | 37,447,000 | 138,603,000 | 456,561,000 | 7.8% | 9,039,000 | 69,302,000 | No EITC |
| Hawaii | Current | 41,145,000 | 6,216,000 | 12,904,000 | 60,266,000 | 8.4% | | | |
| | Post-Reform | 41,643,000 | 7,508,000 | 30,431,000 | 79,582,000 | 10.0% | 2,312,000 | 15,216,000 | No EITC |
| Idaho | Current | 21,723,000 | 2,364,000 | 2,646,000 | 26,734,000 | 5.5% | | | |
| | Post-Reform | 23,093,000 | 2,358,000 | 6,758,000 | 32,208,000 | 6.0% | 733,000 | 3,379,000 | No EITC |
| Illinois | Current | 392,102,000 | 57,195,000 | 112,797,000 | 562,093,000 | 6.7% | | | |
| | Post-Reform | 412,566,000 | 60,829,000 | 238,264,000 | 711,658,000 | 7.7% | 13,378,000 | 126,175,000 | -14,086,000 |
| Indiana | Current | 74,445,000 | 9,044,000 | 25,431,000 | 108,920,000 | 7.7% | | | |
| | Post-Reform | 78,842,000 | 9,586,000 | 53,288,000 | 141,715,000 | 9.1% | 3,108,000 | 28,539,000 | -3,791,000 |
| Iowa | Current | 47,730,000 | 4,289,000 | 12,039,000 | 64,058,000 | 6.5% | | | |
| | Post-Reform | 50,930,000 | 4,593,000 | 26,625,000 | 82,147,000 | 7.6% | 1,917,000 | 13,956,000 | -1,288,000 |
| Kansas | Current | 46,617,000 | 4,355,000 | 7,939,000 | 58,911,000 | 6.1% | | | |
| | Post-Reform | 49,320,000 | 4,811,000 | 15,089,000 | 69,220,000 | 6.5% | 1,408,000 | 9,347,000 | -3,605,000 |
| Kentucky | Current | 38,755,000 | 4,801,000 | 15,251,000 | 58,807,000 | 7.1% | | | |
| | Post-Reform | 41,412,000 | 5,278,000 | 35,301,000 | 81,990,000 | 9.0% | 2,399,000 | 17,650,000 | No EITC |

Appendix 1: Detailed State and Local Tax Contributions, Current and Post-Reform

| STATE | Sales and Excise Total | Property Total | Income Total | Total State and Local \$ | Effective Tax Rate | Components of Income Tax Change | | |
|-----------------------|------------------------|----------------|------------------------|--------------------------|--------------------|---------------------------------|-----------------|------------------------|
| | | | | | | Projected Wage Increase | Full Compliance | State EITC |
| Louisiana | Current | 8,302,000 | 9,326,000 | 85,908,000 | 8.5% | | | |
| | Post-Reform | 9,001,000 | 21,655,000 | 102,985,000 | 9.2% | 1,699,000 | 11,025,000 | -393,000 |
| Maine | Current | 432,000 | 464,000 | 3,652,000 | 5.8% | | | |
| | Post-Reform | 451,000 | 1,129,000 | 4,484,000 | 6.5% | 111,000 | 575,000 | -22,000 |
| Maryland | Current | 31,449,000 | 119,742,000 | 344,584,000 | 6.1% | | | |
| | Post-Reform | 34,231,000 | 273,730,000 | 507,617,000 | 8.1% | 18,816,000 | 138,558,000 | -3,386,000 |
| Massachusetts | Current | 19,443,000 | 45,049,000 | 150,091,000 | 5.5% | | | |
| | Post-Reform | 19,848,000 | 98,516,000 | 208,065,000 | 6.9% | 6,422,000 | 51,471,000 | -4,427,000 |
| Michigan | Current | 14,525,000 | 26,240,000 | 125,882,000 | 6.5% | | | |
| | Post-Reform | 15,230,000 | 56,216,000 | 161,155,000 | 7.6% | 3,447,000 | 29,687,000 | -3,158,000 |
| Minnesota | Current | 8,134,000 | 12,482,000 | 68,584,000 | 6.6% | | | |
| | Post-Reform | 8,610,000 | 21,715,000 | 81,662,000 | 7.1% | 1,779,000 | 14,261,000 | -6,807,000 |
| Mississippi | Current | 2,603,000 | 7,316,000 | 48,048,000 | 7.1% | | | |
| | Post-Reform | 2,858,000 | 18,187,000 | 60,758,000 | 8.1% | 1,778,000 | 9,094,000 | No EITC |
| Missouri | Current | 4,070,000 | 8,302,000 | 44,030,000 | 5.9% | | | |
| | Post-Reform | 4,258,000 | 19,439,000 | 57,192,000 | 7.0% | 1,417,000 | 9,719,000 | No EITC |
| Montana | Current | 219,000 | 605,000 | 1,797,000 | 2.6% | | | |
| | Post-Reform | 250,000 | 1,497,000 | 2,729,000 | 3.6% | 144,000 | 749,000 | No EITC |
| Nebraska | Current | 3,374,000 | 6,349,000 | 42,341,000 | 6.2% | | | |
| | Post-Reform | 3,668,000 | 14,140,000 | 52,589,000 | 7.0% | 1,320,000 | 7,669,000 | -1,199,000 |
| Nevada | Current | 15,876,000 | No Income Tax | 123,827,000 | 4.3% | | | No Income Tax |
| | Post-Reform | 16,500,000 | No Income Tax | 130,017,000 | 4.1% | | | No Income Tax |
| New Hampshire | Current | 1,449,000 | No Income Tax on Wages | 5,544,000 | 2.0% | | | No Income Tax on Wages |
| | Post-Reform | 1,380,000 | No Income Tax on Wages | 5,848,000 | 1.9% | | | No Income Tax on Wages |
| New Jersey | Current | 95,086,000 | 58,046,000 | 476,352,000 | 5.1% | | | |
| | Post-Reform | 99,834,000 | 116,659,000 | 557,592,000 | 5.4% | 10,934,000 | 68,980,000 | -21,299,000 |
| New Mexico | Current | 8,073,000 | 3,371,000 | 86,702,000 | 8.5% | | | |
| | Post-Reform | 8,587,000 | 5,422,000 | 93,180,000 | 8.3% | 1,580,000 | 4,951,000 | -4,480,000 |
| New York | Current | 101,994,000 | 148,732,000 | 744,276,000 | 7.1% | | | |
| | Post-Reform | 103,262,000 | 348,548,000 | 968,402,000 | 8.4% | 40,384,000 | 189,116,000 | -29,685,000 |
| North Carolina | Current | 26,137,000 | 53,845,000 | 253,127,000 | 6.5% | | | |
| | Post-Reform | 28,141,000 | 125,095,000 | 336,607,000 | 7.9% | 8,702,000 | 62,547,000 | 0 |
| North Dakota | Current | 298,000 | 326,000 | 4,830,000 | 5.7% | | | |
| | Post-Reform | 313,000 | 753,000 | 5,609,000 | 6.0% | 51,000 | 377,000 | 0 |
| Ohio | Current | 6,295,000 | 13,923,000 | 72,809,000 | 6.9% | | | |
| | Post-Reform | 56,338,000 | 6,710,000 | 31,952,000 | 8.1% | 2,053,000 | 15,976,000 | 0 |

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| STATE | Sales and Excise Total | Property Total | Income Total | Total State and Local \$ | Effective Tax Rate | Components of Income Tax Change | | |
|-----------------------|------------------------|----------------|------------------------|--------------------------|--------------------|---------------------------------|------------------------|--------------|
| | | | | | | Projected Wage Increase | Full Compliance | State EITC |
| Oklahoma | Current | 7,084,000 | 7,656,000 | 70,742,000 | 7.2% | | | |
| | Post-Reform | 7,563,000 | 17,249,000 | 84,496,000 | 7.8% | 1,786,000 | 9,442,000 | -1,635,000 |
| Oregon | Current | 23,237,000 | 46,564,000 | 93,863,000 | 4.1% | | | |
| | Post-Reform | 24,292,000 | 106,065,000 | 154,902,000 | 6.1% | 7,824,000 | 54,388,000 | -2,709,000 |
| Pennsylvania | Current | 8,208,000 | 45,485,000 | 149,035,000 | 5.9% | | | |
| | Post-Reform | 8,968,000 | 102,972,000 | 212,947,000 | 7.7% | 6,001,000 | 51,486,000 | 0 |
| Rhode Island | Current | 2,917,000 | 4,957,000 | 30,403,000 | 5.7% | | | |
| | Post-Reform | 3,034,000 | 11,393,000 | 38,388,000 | 6.6% | 937,000 | 5,894,000 | -394,000 |
| South Carolina | Current | 4,254,000 | 3,786,000 | 33,445,000 | 5.2% | | | |
| | Post-Reform | 4,291,000 | 9,528,000 | 40,717,000 | 5.8% | 978,000 | 4,764,000 | 0 |
| South Dakota | Current | 227,000 | No Income Tax | 4,908,000 | 7.0% | | No Income Tax | |
| | Post-Reform | 236,000 | No Income Tax | 5,169,000 | 6.7% | | No Income Tax | |
| Tennessee | Current | 9,872,000 | No Income Tax on Wages | 133,043,000 | 7.6% | | No Income Tax on Wages | |
| | Post-Reform | 10,477,000 | No Income Tax on Wages | 141,273,000 | 7.4% | | No Income Tax on Wages | |
| Texas | Current | 204,414,000 | No Income Tax | 1,608,534,000 | 7.3% | | No Income Tax | |
| | Post-Reform | 219,640,000 | No Income Tax | 1,700,319,000 | 7.1% | | No Income Tax | |
| Utah | Current | 5,738,000 | 19,884,000 | 102,004,000 | 6.0% | | | |
| | Post-Reform | 5,687,000 | 46,988,000 | 132,551,000 | 7.1% | 3,610,000 | 23,494,000 | 0 |
| Vermont | Current | 458,000 | 268,000 | 2,784,000 | 5.2% | | | |
| | Post-Reform | 469,000 | 107,000 | 2,812,000 | 4.8% | 57,000 | 325,000 | -543,000 |
| Virginia | Current | 15,450,000 | 57,966,000 | 182,984,000 | 4.9% | | | |
| | Post-Reform | 16,796,000 | 127,710,000 | 259,605,000 | 6.4% | 7,820,000 | 65,786,000 | -3,861,000 |
| Washington | Current | 21,303,000 | No Income Tax | 292,067,000 | 9.2% | | No Income Tax | |
| | Post-Reform | 22,669,000 | No Income Tax | 312,290,000 | 8.9% | | No Income Tax | |
| West Virginia | Current | 151,000 | 715,000 | 3,838,000 | 6.1% | | | |
| | Post-Reform | 150,000 | 1,716,000 | 5,043,000 | 7.3% | 143,000 | 858,000 | 0 |
| Wisconsin | Current | 8,886,000 | 22,921,000 | 98,667,000 | 6.1% | | | |
| | Post-Reform | 9,104,000 | 52,244,000 | 131,297,000 | 7.4% | 4,338,000 | 27,259,000 | -2,273,000 |
| Wyoming | Current | 242,000 | No Income Tax | 4,038,000 | 4.4% | | No Income Tax | |
| | Post-Reform | 256,000 | No Income Tax | 4,295,000 | 4.2% | | No Income Tax | |
| All States | Current | 8,123,699,000 | 1,247,196,000 | 10,612,300,000 | 6.4% | | | |
| | Post-Reform | 8,544,162,000 | 1,323,328,000 | 12,687,276,000 | 7.0% | | | |
| Change | +420,463,000 | +576,132,000 | +\$1,578,381,000 | +\$2,074,976,000 | 0.6% | +228,121,000 | +1,469,526,000 | -119,264,000 |
| % Total Change | 20% | 4% | 76% | | | | | |

Appendix 2: Data Used to Estimate State and Local Tax Contributions of Undocumented Immigrants

| STATE | Estimated Undocumented Immigrant Population ¹ | Estimated Undocumented Families ² | Estimated Undocumented Annual Income ³ | STATE | Estimated Undocumented Immigrant Population ¹ | Estimated Undocumented Families ² | Estimated Undocumented Annual Income ³ |
|---------------|--|--|---|-------------------|--|--|---|
| Alabama | 120,000 | 52,400 | \$30,900 | Montana* | 5,000 | 2,180 | \$31,500 |
| Alaska* | 5,000 | 2,180 | \$44,600 | Nebraska | 45,000 | 19,650 | \$35,000 |
| Arizona | 400,000 | 174,670 | \$29,400 | Nevada | 190,000 | 82,970 | \$35,100 |
| Arkansas | 55,000 | 24,020 | \$34,300 | New Hampshire | 15,000 | 6,550 | \$42,400 |
| California | 2,550,000 | 1,113,540 | \$34,300 | New Jersey | 550,000 | 240,170 | \$39,100 |
| Colorado | 180,000 | 78,600 | \$32,700 | New Mexico | 85,000 | 37,120 | \$27,500 |
| Connecticut | 120,000 | 52,400 | \$40,300 | New York | 625,000 | 272,930 | \$38,400 |
| Delaware | 25,000 | 10,920 | \$35,000 | North Carolina | 325,000 | 141,920 | \$27,400 |
| Dist. of Col. | 25,000 | 10,920 | \$32,100 | North Dakota* | 5,000 | 2,180 | \$39,000 |
| Florida | 825,000 | 360,260 | \$29,100 | Ohio | 100,000 | 43,670 | \$24,300 |
| Georgia | 425,000 | 185,590 | \$28,700 | Oklahoma | 75,000 | 32,750 | \$29,900 |
| Hawaii | 40,000 | 17,470 | \$41,300 | Oregon | 160,000 | 69,870 | \$32,800 |
| Idaho | 35,000 | 15,280 | \$31,700 | Pennsylvania | 160,000 | 69,870 | \$36,200 |
| Illinois | 525,000 | 229,260 | \$36,700 | Rhode Island | 30,000 | 13,100 | \$40,400 |
| Indiana | 110,000 | 48,030 | \$29,600 | South Carolina | 55,000 | 24,020 | \$26,700 |
| Iowa | 75,000 | 32,750 | \$30,100 | South Dakota* | 5,000 | 2,180 | \$32,200 |
| Kansas | 65,000 | 28,380 | \$34,000 | Tennessee | 140,000 | 61,140 | \$28,500 |
| Kentucky | 80,000 | 34,930 | \$23,700 | Texas | 1,650,000 | 720,520 | \$30,400 |
| Louisiana | 65,000 | 28,380 | \$35,700 | Utah | 110,000 | 48,030 | \$35,400 |
| Maine* | 5,000 | 2,180 | \$28,700 | Vermont* | 5,000 | 2,180 | \$24,300 |
| Maryland | 275,000 | 120,090 | \$47,300 | Virginia | 210,000 | 91,700 | \$40,400 |
| Massachusetts | 160,000 | 69,870 | \$39,000 | Washington | 230,000 | 100,440 | \$31,600 |
| Michigan | 150,000 | 65,500 | \$29,600 | West Virginia* | 5,000 | 2,180 | \$28,800 |
| Minnesota | 85,000 | 37,120 | \$28,200 | Wisconsin | 100,000 | 43,670 | \$36,900 |
| Mississippi | 45,000 | 19,650 | \$34,600 | Wyoming* | 5,000 | 2,180 | \$42,300 |
| Missouri | 55,000 | 24,020 | \$31,100 | All States | 11,200,000 | 2,838,410 | +\$33,100 |

¹ Jeffrey S. Passel and D'Vera Cohn, "Unauthorized Immigrant Population, National and State Trends, 2010," (Washington, D.C.: Pew Hispanic Center, Feb. 1, 2011). See this report's methodology section on page X for more information.

² Estimated undocumented family size by state was calculated by dividing the estimated state undocumented population by the national average undocumented family size of 2.29 provided by the Pew Hispanic Center.

³ 2009-2011 American Community Survey