

General Economic Benefits from Comprehensive Immigration Reform

- **Undocumented Immigrants Currently Pay State and Local Taxes and With Legalization through S.744, They Will Contribute Even More Tax Revenue** 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 % on average of their income in state and local taxes.¹ The Congressional Budget Office (CBO) figures estimate that if undocumented immigrants were to be granted a path to citizenship through S.744, their financial contributions in the form of taxes would be even greater²
- **S.744 Will Likely Create a Net Savings of \$135 Billion Dollars to the Country.** The CBO estimates that enacting S.744 as passed by the Senate would lead to a net savings of about \$135 billion over the 2014-2023 period.³ The CBO calculates these figures by examining changes (within S.744) in direct spending and revenues that would decrease federal budget deficits and estimating that figure to be \$158 billion (over the 2014-2023 period) and subtracting from that figure the costs of implementing S.744 which CBO estimates would result in net discretionary costs of \$23 billion over 2014-2023 period. (\$158 billion- \$23 billion = \$135 billion) The savings calculated by the Congressional Budget Office is quantifiable and is in direct opposition to anti-immigrant groups that claim that S.744 and comprehensive immigration in general will cost our country.
- **Passing S.744 Will Lead to Other Positive Economic Effects for the US Economy.** In addition to tangible savings, the Congressional Budget Office also reports that passing comprehensive immigration reform in the form of S.744 would have broader positive effects on output and income such as: positive changes in productivity of labor and capital, increases in the income earned by capital, the rate of return on capital and the differences in wages for workers with different skills.⁴ These economic factors are indicators of international economic competitiveness and improving upon these factors will lead to better global economic competitiveness.
- **Immigration Overhaul Will Especially Benefit Large States** (To be used for larger states such as California, Florida, and Texas) Some states have even more to gain financial by comprehensive immigration reform. For example in California, creating a path to legal status would add nearly 22,000 jobs by 2020.⁵ States with large retail, healthcare, construction and other service industries will experience job gains.⁶

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¹ Undocumented Immigrants' State and Local Tax Contributions, Institute on Taxation and Economic Policy July 013 available at <http://www.itep.org/immigration/>

² CBO Cost Estimate of S.744: Border Security, Economic Opportunity and Immigration Modernization Act, CBO, July 3, 2013 at 1-2 available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/s744aspassed.pdf>

³ CBO Cost Estimate of S.744: Border Security, Economic Opportunity and Immigration Modernization Act, CBO, July 3, 2013 at 1-2 available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/s744aspassed.pdf>

⁴ CBO Cost Estimate of S.744: Border Security, Economic Opportunity and Immigration Modernization Act, CBO, July 3, 2013 at 2 available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/s744aspassed.pdf>

⁵ Frederick R. Treyz, Corey Stottlemeyer, Rod Motamedi, Key Components of Immigration Reform An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas, & Reforming Lesser-Skilled Visas, Regional Economic Models Inc. July 17. 2013 available at <http://www.remi.com/immigration-report>.

⁶ Frederick R. Treyz, Corey Stottlemeyer, Rod Motamedi, Key Components of Immigration Reform An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas, & Reforming Lesser-Skilled Visas, Regional Economic Models Inc. July 17. 2013 available at <http://www.remi.com/immigration-report>.