

Los Angeles Times

New push in California for immigrant tax filers to receive tax credits

Hafsa Fathima and Celina Tebor

December 12, 2019

For the past decade, Rosalba Hernandez, 40, has followed the standard routine for most Californians come April: file her taxes.

Hernandez, who lives in Birdland, used to work cleaning houses. Her income would have made her eligible to earn working tax credits from the state government, courtesy of a program called the CalEITC. A supplement of the federal Earned Income Tax Credit program, it was created in 2015 to refund low-income families. Close to \$360 million in credit was claimed by tax filers this year.

It's a benefit Hernandez hasn't been able to receive because of her immigration status. To be eligible for CalEITC, tax filers must hold valid Social Security Numbers.

"I entered in 2003 from Mexico," said Hernandez. "My husband and I still remain undocumented." The couple's four children are American citizens.

Though immigrants who are in the country illegally do not receive a Social Security Number, they are able to file taxes with an Individual Taxpayer Identification Number, or ITIN. This excludes them — as well as American relatives who come under their filing unit — from CalEITC.

To address the issue, the California Immigrant Policy Center has embarked on a campaign to include all qualifying immigrants of any status in CalEITC — a change they hope will be included in the governor's proposed budget for the next year.

A two-year bill with the same goal is also being authored by California Assemblywoman Eloise Reyes (D-Grand Terrace), whose constituency in the Inland Empire includes a large population of Latin American immigrants. The immigrant policy center is one of its co-sponsors.

"We are talking about individuals who have taken a great risk to identify themselves as undocumented before the government," Reyes said.

Though steps have been taken to expand the program and the population it serves, her bill aims to close the gaps for immigrants, she said.

Tax credits can bolster a community “uniquely impacted by income inequality in California,” said Sasha Feldstein, a policy analyst for the policy center. Feldstein recently authored a report about the potential benefits CalEITC could have for immigrants filing with ITINs, stating that more than 600,000 Californians could benefit if included.

“Immigrants are overrepresented in low-wage jobs,” Feldstein said. “If they’re working and filing their taxes like everyone else, they should be eligible for tax credit.”

The ramifications extend beyond the tax filer, Feldstein said, adding that federal measures allow children who are U.S. citizens to receive child tax credits even if their parents file with an ITIN. California, where half of children have at least one immigrant parent, does not allow for the same, she said.

“It affects your entire household,” said Feldstein. “You’re not only punishing the parent, you’re punishing the children who are not able to benefit because of a number their parent is using to file taxes.”

For Hernandez, it’s money that could have helped have helped the family in several cases, especially as her daughter begins to contemplate which college she’ll attend.

“The money is not really for me,” she said. “It’s to benefit my children, who are citizens. Every little bit counts in helping with something, whether it’s education or their health. In a way, it’s just going back to help the American community.”

The California Immigrant Policy Center is part of the CalEITC Coalition, made up of more than 20 organizations advocating for a more equitable CalEITC, which includes immigrants. Their goal of including immigrant ITIN tax filers in the program came close last year, making it to the Senate and Assembly’s final budget proposal before it was removed during the last hours of negotiation.

Efforts are doubling down this year, Feldstein said.

“We’ve had meetings with members of Newsom’s administration to talk about the issue,” she said. “We’re making sure that members of our coalition are also putting pressure on the governor to include this in the budget.”

Support has come from legislative members as well, with several expressing disappointment that ITIN tax filers were not included in the program last year.

The hope for the upcoming year is that Newsom will see eye-to-eye with the coalition’s effort, said Adriana Jasso, a representative from the American Friends Services Committee.

“It’s about giving back to families who have contributed with the labor,” she said. “Most of the immigrants who are entitled to it are going to invest back in the economy.”

The coalition will be present at the Immigrant Day of Action in Sacramento this May, an event Hernandez attended last year. Armed with a proposal that would include immigrants in the CalEITC, she spoke at Capitol Hill about why the benefit was crucial to her.

“We’ll be there right [in May] before the June deadline to finalize the budget,” Feldstein said of the coalition’s next steps, which hopes that all immigrants, documented or not, will be able to receive tax credits soon.

The debate continues. In an article for Fox News, writer Jerome Danner said immigrants in the country illegally already benefit from emergency health services at the expense of American taxpayers. Such immigrants also “draw nearly \$6 billion in welfare benefits per year,” Danner wrote.

More welfare for immigrants in the country illegally could lend to more arguments against immigration itself, said Alex Nowrasteh, Director of Immigration at the Cato Institute’s Center for Global Liberty and Prosperity.

“Welfare should be for U.S. citizens,” said Nowrasteh. “One of the main arguments is that immigrants come here for welfare and get benefits to live off American taxpayers. We shouldn’t be giving an argument to the other side.”

Hernandez is not unfamiliar with opposing rhetoric.

“We know we are not in the law,” she said. “But one of the lawful things we do is pay taxes. There are people here who work two or three jobs. The minimum amount of respect they should receive is at least be getting those tax credits.”