

OPINION

Paying Taxes Without Representation

Immigrants contribute to government

BY MATIAS RAMOS

Give me your tired, your poor, your huddled masses yearning to be free. I'll give them some taxation without representation.

With apologies to Emma Lazarus, that's the situation faced by many of the more than 10 million undocumented immigrants who live in the United States. Making up about 5 percent of the workforce, most of the people without legal status have lived in this country for a decade or more.

And before throngs of fear-mongering nativists take to the airwaves to claim that immigrants are stealing taxpayers' jobs and resources, let me assure you that the undocu-

mented consistently contribute to the government's coffers through payroll, sales, property, and income taxes.

Consider Mayra Hidalgo, for example. She comes from one of the millions of families that have relocated from around the world—and played by the tax rules—while remaining in the United States beyond their authorized stay.

When her parents left their native Costa Rica, she was only six months old. While watching out for reform that might open the door for them to get legal status, they steadily paid their income taxes to build a good record.

More than 3 million people paid their taxes using an Individual Taxpayer's Number (in place of a Social Security Number) in 2010, totaling \$1.8 billion in contributions from taxpayers who are unable to work legally.

Hidalgo's parents got their green

cards in 2010. But due to an unfair rule that disqualifies young people from a family's permanent residency application if they turn 18 while they await the outcome, Hidalgo remains undocumented. This forced her to forego the opportunity to attend a top-tier state school, settling instead for the more affordable Polk State College.

"It's extremely frustrating," she said. "Finding out I wasn't able to get financial aid was heartbreaking."

The government doesn't give all immigrants an opportunity to adjust their status, but the taxman doesn't discriminate. Hidalgo's parents might have been undocumented, but they've also been Florida taxpayers for 21 years. In Florida, sales taxes fund the higher education system. Yet no amount of immigrant purchasing power has been enough to convince Florida legislators to allow immigrant youth to attend their public colleges as residents.

"It is a constant feeling of anxi-

ety, having to live under this level of stress," said Hidalgo, who belongs to the immigrant youth organization Students Working for Equal Rights.

Congress is likely to target families like the Hidalgos as it debates the 2013 budget. In December, the House of Representatives voted for a tax package that would effectively raise taxes on approximately 2 million working immigrant families like Mayra's.

By denying them eligibility for the reimbursable Additional Child Tax Credit (ACTC), Congress claims to be discouraging illegal immigration. In reality, they would be punishing taxpaying immigrants and their kids.

State legislators around the nation have also claimed to defend the interests of taxpayers while promoting harsh immigration enforcement laws. Alabama's so-called "Alabama Taxpayer and Citizen Protection Act," for example, is intended to make life so unbearable for undocumented immigrants that they choose

to leave on their own. Similar laws are on the books in Utah, South Carolina, Indiana, and Georgia. Another is in the works in Mississippi.

Meanwhile, the Obama administration is of two minds on this issue. The Justice Department has opted to sue states that have enacted these laws. But the Department of Homeland Security has beefed up enforcement and deported more people than ever. Even while acknowledging that the system is dysfunctional without a path to legal status for those already here, Obama has enforced the law to its fullest extent.

If immigration is the sincerest form of flattery, the nation's politicians are showing they can't take a compliment. But there's something worse than a country anyone can enter to seek a better life. It's a country where no one wants to go.

Matias Ramos is a former undocumented student and a co-founder of the United We Dream Network.



Budget Blueprint of Medicare Hot Air

It's simply not time to hit the panic button

BY SALVATORE BABONES

There's a scary graph in Rep. Paul Ryan's new budget blueprint that shows the federal government's "unfunded promises" rising from \$76.4 trillion in 2010 to \$99.6 trillion in 2011.

That's \$23.2 trillion in just one year.

The entire U.S. economy produces about \$15 trillion in gross domestic product each year. So if it seems preposterous that the government's "unfunded promises" grew by that much in just one year, that's because it is.

Most of what the Wisconsin

Republican calls "unfunded promises" are the future Medicare benefits that the government expects to have to pay through the late 2080s. To get a scare out of Medicare, you have look seven decades into the future.



But there's the reality: Medicare has been a solid investment for 47 years. It's also in good shape for the foreseeable future.

Of all the hot air in Washington, Ryan's hackneyed Medicare scare is the hottest. The Medicare Trust Fund isn't actually a trust fund; it isn't really going bankrupt. Oh, and most of Medicare isn't even connected to those funds anyway.

Here's how it works.

As every senior citizen knows, Medicare is incredibly complicated. It has four parts. Part A

covers hospital bills. Part B covers doctors' bills. Part C is an optional private insurance plan. Part D is a private insurance plan for prescription drugs.

There are two Medicare "trust funds." The Hospital Insurance (HI) trust fund supports Medicare Part A. The Supplementary Medical Insurance (SMI) trust fund supports Parts B and D. There is no trust fund for Part C.

The HI trust fund, which pays hospital bills, is the one Ryan is worried about. It is currently \$238 billion in the black and takes in an annual income of \$229 billion. Those are some pretty big figures, but Medicare is still running a multi-billion dollar deficit and is expected to run through its treasure chest in about 12 years.

The HI trust fund is supported by a 2.9-percent tax on wages, split evenly between wage earn-

ers and their employers.

On top of this, an additional 0.9-percent tax on wages over \$200,000 for individuals (\$250,000 for married couples filing jointly) will start flowing to the HI trust fund in 2013 under the Affordable Care Act.

Even with these extra revenues, the HI trust fund is projected to go bankrupt in 2024. But "bankrupt" doesn't mean "bankrupt" in the sense of going out of business. It only means that the trust fund account will turn negative for the first time.

In other words, around the year 2024 — for the first time in its history — Medicare Part A will start to cost the federal government money. After 2025, the losses are expected to be in the range of \$40-\$60 billion per year.

By that time, the total federal budget is expected to be over \$4.5

trillion, so we're talking about a Medicare Part A deficit amounting to a little over 1 percent of the federal budget.

So what about those so-called "unfunded promises"? Extend a growing trend out long enough and you can make the number as big as you like. But projecting the future Medicare costs of people who have not yet been born is simply disingenuous.

There are plenty of real challenges facing America this election year. Three of the most important are jobs, jobs, and jobs.

Potential problems in Medicare and Social Security 50 or 75 years from now just don't measure up. It's not time to hit the panic button just yet.

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