



Written by [Warren Mass](#) on February 18, 2015

## Illegal Immigrants Eligible for Earned Income Tax Credit, Other Benefits

IRS Commissioner John Koskinen, during a House Oversight Committee hearing last week, stated that illegal immigrants granted work permits under the Obama administration's amnesty orders will qualify for the Earned Income Tax Credit (EITC). These credits would be paid retroactively for the three-year period before they file for their permits if they have been working that long while in the country illegally.



"If you get a Social Security number, you can then file for this year if you're working, and if you earned income in the three years before that and filed, you'll be eligible," Koskinen told the committee hearing.

Senator Jeff Sessions (R-Ala.), who is one of the Senate's most vocal critics of the Obama administration's soft stand on illegal immigration, issued a statement condemning the policy:

These are not tax "refunds" but direct, free cash payments from the U.S. Treasury to low-income illegal immigrants who owe no taxes. It is a dramatic cash transfer from lawful residents to unlawful residents, required by the president's imperial amnesty.

There can be no legal or moral justification for rewarding illegal entrants in this way. Not only is it unfair to strapped taxpayers, but it will encourage countless more to enter the U.S. illegally or to illegally overstay their visas.

An explanation of the EITC found on the IRS website says:

EITC, Earned Income Tax Credit, is a benefit for working people who have low to moderate income. A tax credit means more money in your pocket. It reduces the amount of tax you owe and may also give you a refund.

*Fox News* reported that during a Senate Finance Committee hearing earlier this month, Senator Chuck Grassley (R-Iowa) reminded attendees that a prominent IRS official determined back in 2000 that individuals granted "deferred action" (short for the Obama administration's Deferred Action for Parents of Americans and Lawful Permanent Residents [DAPA] program) would "be able to amend returns for the previous years to claim the EITC for years they worked illegally in the United States once they obtain their Social Security number."

Two other senators concerned about how IRS policy will be affected by the administration's grant of deferred status to illegal immigrants — Ben Sasse (R-Neb.) and Ron Johnson (R-Wis.) — sent a letter last week to Treasury Inspector General Russell George seeking answers about what they described as "previously undisclosed consequences of the Administration's new policy of deferred action." Their February 5 press release cited testimony at a hearing of the Senate Homeland Security and Governmental Affairs Committee by Eileen O'Connor, who was formerly with the Department of Justice Tax Division. The senators wrote:

According to Ms. O'Connor, the President's executive actions will not only allow illegal aliens to



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stay in the country for three years, but would also award them with free federal money....

As Ms. O'Connor explained ... the President effectively re-wrote the law in a way that significantly changed the status of some of those here illegally. From this point forward, any illegal alien who is approved under the new rules to stay in the U.S. — a process known as “deferred action” — will now be allowed to receive a Social Security Number.

The significance of this change, Ms. O'Connor noted, is that having a Social Security Number will allow individuals to get federal benefits that were previously unavailable. In particular, it could allow millions of people to receive a tax benefit known as the Earned Income Tax Credit, or EITC. Under the law, families with low to moderate incomes can get an EITC cash payment as high as \$6,143, but only if they have a Social Security Number.

And that is not all, noted the senators. Under EITC rules, those eligible for the program can also ask for retroactive payments to cover the three prior years as well. The bottom line is:

An illegal alien with a new Social Security Number can get a payment of more than \$24,000 for years they were working illegally. On top of this, Ms. O'Connor noted, families could also get thousands more in payments through the Additional Child Tax Credit program. This means a family with three or more children might collect even more than \$24,000.

The senators then asked George a number of questions, including whether it would be possible for individuals to claim tax credits for children that do not live in the United States, if he could provide an estimate of the full cost of giving EITC benefits to illegal immigrants under the president's executive actions, and whether the IRS is equipped to detect and prevent fraud as it processes millions of new claims for EITC benefits.

These EITC benefits — and many other benefits, including work permits — will be put on hold, however, thanks to a temporary injunction issued on February 16 by U.S. District Judge Andrew S. Hanen of the U.S. District Court for the Southern District of Texas that blocks the federal government from implementing the Obama administration's use of executive actions to grant amnesty to four million illegal immigrants. Though Hanen's decision may be reversed on appeal, it stand for now and brings the Obama amnesty program to a standstill.

In his Memorandum Opinion and Order accompanying his decision, Hansen referred to the lawsuit brought against the federal government by Texas and 25 others states, specifically the argument made by Texas, alleging that the directive issued by Homeland Security Secretary Jeh Johnson “will create a new class of individuals eligible to apply for driver's licenses, the processing of which will impose substantial costs on its budget.... These costs, Plaintiffs argue, are not unique to Texas; rather they will be similarly incurred in all Plaintiff states where DAPA beneficiaries will be eligible to apply for drivers' licenses.”

Hanen also cited other areas where providing services to illegal immigrants is costing the states money. He wrote:

The evidence in this case supplies various examples of large, uncompensated losses stemming from the fact that federal law mandates that states bear the burdens and costs of providing products and services to those illegally in this country. These expenses are most clearly demonstrated in the areas of education and medical care, but the record also contains examples of significant law enforcement costs.



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Senators Sasse and Johnson noted in their statement to the press, “This is basic economics: if you want more of something, you subsidize it. By subsidizing illegal entry with four years’ worth of new tax credits, the IRS would promote lawlessness.”

Former Representative and presidential candidate Ron Paul once said, “As long as illegal immigrants know their children born here will be granted U.S. citizenship, we’ll never be able to control our immigration problem.”

“Earned” income tax credits, driver’s licenses, free education, free medical care, and eventual citizenship are among the many benefits our government offers to those who have entered our country illegally. Is there any wonder why we find our immigration problem so difficult to solve?

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