You are currently viewing the printable version of this article, to return to the normal page, please <u>click here</u>.

IRS to pay back-refunds to illegal immigrants who didn't pay taxes

Lawmakers fear illegals could use Obama amnesty to find ways to vote

By Stephen Dinan - The Washington Times - Wednesday, February 11, 2015

IRS Commissioner John Koskinen told Congress on Wednesday that even illegal immigrants who didn't pay taxes will be able to claim back-refunds once they get Social Security numbers under President Obama's temporary deportation amnesty.

The revelation — which contradicts what he told Congress last week — comes as lawmakers also raised concerns Mr. Obama's amnesty could open a window to illegal immigrants finding ways to vote, despite it being against the law.

"While we may disagree about whether your deferred action programs were lawfully created and implemented, we are confident that we can all agree that these programs cannot be permitted to impair the integrity of our elections," Republican members of Congress from Ohio wrote in a letter to Mr. Obama Wednesday, ahead of a hearing on the issue in the House on Thursday.

Mr. Obama's new deportation policies, which carve most illegal immigrants out of danger of being removed, and could proactively grant as many as 4 million illegal immigrants work permits and Social Security numbers, are increasingly under fire for ancillary consequences such as tax credits and competition for jobs.

Mr. Koskinen, testifying to the House oversight committee, said the White House never asked him or anyone else at the IRS about the potential tax effects of his amnesty policy.

"I haven't talked to the White House about this at all," he said.

He also clarified his testimony to the Senate last week, where he acknowledged illegal immigrants who had paid taxes using substitute Social Security numbers but who gain

real Social Security numbers when they are approved for the amnesty can apply for back-refunds of the Earned Income Tax Credit.

On Wednesday, he said even illegal immigrants who didn't pay taxes will be able to apply for back-credits once they get Social Security numbers.

The EITC is a refundable tax credit, which means those who don't have any tax liability can still get money back from the government.

"Under the new program, if you get a Social Security number and you work, you'll be eligible to apply for the Earned Income Tax Credit," Mr. Koskinen said.

He said that would apply even "if you did not file" taxes, as long as the illegal immigrant could demonstrate having worked off-the-books during those years.

That expands the universe of people eligible for the tax credit by millions. He said only about 700,000 illegal immigrants currently work and pay taxes using an Individual Taxpayer Identification Number, but as many as 4 million illegal immigrants could get a stay of deportation and work permits under the temporary amnesty, which would mean they would be eligible to claim back-refunds if they worked those years.

Rep. Mick Mulvaney, the South Carolina Republican who grilled Mr. Koskinen on the tax credits, said he was stunned the White House never checked with the IRS on the tax implications of its move.

"That's just outrageous," he said. "If Congress had passed a law doing exactly what the president did, we would have had not only an estimate of the costs, but we would have also been required to propose ways to pay for the programs. This is just another example of the administration operating outside the rule of law."

Mr. Koskinen said he didn't know how much money the tax refunds would cost, and said the White House never checked with him before announcing the amnesty. He said the maximum annual credit is between \$500 and \$600 for an individual.

Meanwhile, the concerns over voting are beginning to bubble up.

Rep. Jim Jordan, Ohio Republican, will hold a hearing on the issue Thursday.

Ohio Secretary of State Jon Husted, who has told Mr. Obama that illegal immigrants could find ways to vote thanks to his policy, is slated to testify.

© Copyright 2015 The Washington Times, LLC. <u>Click here for reprint permission.</u>