

Equal Opportunities to Thrive: Covering Rebates, Tax/SSN/ITIN, Food Security & Access to Food Programs

April 16, 2020

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Presenters

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- Jackie Vimo, Economic Justice Policy Analyst, NILC
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Outline

- Introduction
- Rebate, Tax/SSNs/ITINs
- Food security and access to food programs
- Filling in gaps left by the federal tax rebate at the state/local level
 - New Jersey
 - New Mexico
- What's next at the federal level?
- Resources
- ► Q&A

About NILC

- Mission: Defend and advance the rights of low-income immigrants
- Vision: Barriers to equity, opportunity, and belonging are dismantled for all of us
 - Our vision for immigrant justice is necessarily one of racial justice and equity for all Americans
- Theory of change:
 - Narrative & culture change
 - Policy advocacy & litigation
 - Movement power: building power for action





Rebate, SSNs/ITINs &

Food Security and Access to Food Programs

Jackie Vimo, Economic Justice Policy Analyst, National Immigration Law Center

CARES Act Tax Benefits + Food and Nutrition Programs

JACKIE VIMO

NATIONAL IMMIGRATION LAW CENTER

Background:

IMMIGRANT TAXPAYERS

Background: Immigrant Tax Filers

- ► ALL wage earners—regardless of their immigration status—are required to pay federal taxes.
- ▶ In 2015, ITIN filers paid **\$23.6 billion in total federal taxes**:
 - Over \$5.5 billion in payroll and Medicare taxes.
 - ▶ ITIN filers also contribute to tax revenue by paying sales, gas, and property taxes.
- Undocumented immigrants support programs such as Medicare and Social Security, but they do not receive benefits, creating a net positive+ effect on the programs' financial security.

Individual Taxpayer Identification Number (ITIN)

- Since 1996, the IRS has issued ITINs to taxpayers and their dependents who are not eligible to obtain a Social Security number (SSN) so they can comply with federal tax laws and pay taxes.
- An ITIN consists of nine digits, beginning with nine (i.e., 9XX-XX-XXXX).
- ITIN does NOT...
 - authorize a person to work in the U.S.
 - provide eligibility for Social Security benefits
 - provide a person with immigration status
- Once a person who has been issued an ITIN is eligible to apply for an SSN, the person may no longer use the ITIN

ITINs

- ITIN holders are NOT all undocumented individuals.
- Examples of individuals who need ITINs include:
 - A nonresident alien required to file a U.S. tax return
 - A U.S. resident alien (based on days present in the U.S.) filing a U.S. tax return
 - ▶ A dependent or spouse of a U.S. citizen/resident alien
 - A dependent or spouse of a nonresident alien visa holder
 - Some people who are lawfully present in the U.S., such as certain survivors of domestic violence, Cuban and Haitian entrants, student visa-holders, and certain spouses and children of individuals with employment visas.
- Current law provides strong confidentiality provisions for tax-filing data held by the IRS. [26 U.S. Code § 6103]

DACA/TPS Tax Issues

- Many people with Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS) have lost work authorization, and the future of the programs are uncertain.
- The Social Security Number (SSN) issued to DACA grantees/TPS holders remains valid indefinitely (even if the person's work authorization expires).
 - If you previously filed taxes with an ITIN number, that number is no longer valid and should not be used to file taxes.
- If your Employment Authorization Document (EAD) has expired, you should continue to file taxes using the SSN you were issued when you were granted DACA/TPS for the rest of your life.

CARES Act
Tax Benefits

ECONOMIC IMPACT PAYMENTS

Who is Eligible for the CARES Act Economic Impact Payment (EIP)

- ► Have a valid Social Security number,
- Could not be claimed as a dependent of another taxpayer
- ▶ Had adjusted gross income under certain limits.
- Note: must be a US citizen or U.S. citizens or "resident aliens"
 - ▶ "Resident Alien" basically means that if they are not a U.S. citizen or lawful permanent resident, they reside primarily in the United States.

CARES Act Economic Impact Payment (EIP)

- The Economic Impact Payment is an advanced rebate on FY 2020 taxes
- ▶ The maximum rebate amount is
 - >\$1,200 for individuals
 - > \$2,400 for taxpayers filing taxes jointly
 - > \$500 per qualifying child

EPI Income Caps

- The rebate amount is reduced by five percent (or \$5) of the taxpayer's Adjusted Gross Income (AGI) for every \$100 above the following thresholds:
 - **\$150,000 for** joint returns
 - > \$112,500 for head of household
 - > \$75,000 for individuals/other than above

Social Security Number (SSN) Requirement

- Individual filers and couples filing jointly must have been issued a SSN valid for employment by the time they file their qualifying return.
 - (There is an exception if at least one spouse filing jointly was in the armed forces last tax year, as long as one spouse has a valid SSN.)
- Children claimed as dependents for the \$500 rebate must also have valid SSNs or an Adoption Taxpayer Identification Number (ATIN).
 - If both partners in a married couple used an Individual Taxpayer Identification Number (ITIN) to file their taxes, no one in the household is eligible for the return, regardless of whether they file jointly or not.
 - For mixed-immigration status married taxpayers (where one taxpayer has an SSN and the other taxpayer has an ITIN), the couple would need to file separately in order to claim the rebate for any eligible household members. However, filing separately may render a person ineligible for Affordable Care Act subsidies that may be larger than the EIP. Taxpayers should consult professional tax preparers about the best options for their unique household situation.

How EIPs Will Be Issued for Tax Filers

- In most cases, the rebate is issued AUTOMATICALLY people don't need to apply for it if they have filed taxes in last two years
- Payments will be based on last tax return filed (FY18 or FY19)
 - ▶ If you have not yet filed a FY 2019 tax return, your eligibility will be based on your earnings, SSN status, and the number of eligible child dependents on your FY 2018

EIPs for Non-Filers

- You will receive EIP AUTOMATICALLY If you do not need to file taxes but receive the following benefits
 - Social Security Retirement
 - Social Security Disability Insurance (SSDI)
 - Railroad Retirement Benefits
 - Supplemental Security Income (SSI)
 - ▶ Will estimated based on your SSA-1099 Social Security Benefit Statement or form RRB-1099 Social Security Equivalent Benefit Statement.

Who Needs to Use Portal

- Otherwise Eligible
- ► Had gross income that did not exceed \$12,200 (\$24,400 for married couples) for 2019
- Were not otherwise required to file a federal income tax return for 2019, and didn't plan to

Portal for Non-Filers

http://irs.gov/eip

- This portal is for anyone who meets these criteria:
 - Did not file taxes in FY18 or FY19
 - ► Had gross income that did not exceed \$12,200 (\$24,400 for married couples) for 2019
 - Were not otherwise required to file a federal income tax return for 2019 (and doesn't receive SSA retirement, SSDI, SSI, or Railroad Retirement)

What if Not Eligible in FY18 or FY19

If you were not eligible for a benefit in the FY 2018 tax year, but became eligible in FY 2019 or FY 2020, there will be a future process to reconcile the payments based on updated eligibility.

No Need to Repay Overpayment

► If IRS overpays you because you earned less in FY18 or FY19 than in 2020 and get an Economic Impact Payment larger than it should have been in FY20, you will NOT be required to repay any portion of the portion that you received in advance.

EIPs

- ► Payments are non-taxable income
- ► EIP payments do not need to be paid back

Recovery Rebates + Benefit Eligibilty

- ► EIP Recovery Rebates will not be counted as income for the purposes of determining eligibility for federal means-tested public benefits programs
 - e.g. Medicaid, Temporary Assistance for Needy Families (TANF), or the Supplemental Nutrition Assistance Program (SNAP or food stamps).
 - ► However, bear in mind that unemployment insurance benefits ARE included in a person's adjusted gross income.

NO Public Charge Consequences

TAX REBATES ARE **NOT CONSIDERED**FOR PUBLIC CHARGE TEST

Need Help with Taxes?

- ► Volunteer Income Tax Assistance (VITA) Program provides
 - Free tax help for taxpayers
 - ► Make \$56,000 or less
 - Persons with disabilities
 - ▶ Limited English Proficient (LEP) taxpayers.
- Tax Counseling for the Elderly (TCE)
 - All taxpayers,
 - ▶ 60 years of age and older
 - Specialize questions about pensions and retirement-related issues unique to seniors.

To locate the nearest VITA or TCE site near you:

- https://irs.treasury.gov/freetaxprep/
- 1-800-906-9887.

Toplines: Immigrant Taxpayer Exclusion

- The virus doesn't exclude anyone based on immigration status; neither should relief bill
- Immigrant taxpayers pay taxes like anyone else
- ► We are ALL healthier physically and economically when EVERYONE is included in relief

How Congress Can Fix COVID 4.0

Congress should remove the Social Security Number (SSN) requirement for the EIP in the next relief bill

Food + Nutrition Programs

Food and Nutrition Benefits

- Supplemental Food and Nutrition Program (SNAP)
 - ▶ Only for "qualified immigrants" US Citizen or Green Card holder 5+ years in US
 - Qualified immigrant children, refugees, people granted asylum or withholding of deportation/removal, Cuban/Haitian entrants, certain Amerasian immigrants, Iraqi and Afghan special immigrants, survivors of trafficking, qualified immigrant veterans, active duty military, and their spouses and children, lawful permanent residents with credit for 40 quarters of work history, certain Native Americans, lawfully residing Hmong and Laotian tribe members, and immigrants receiving disability-related assistance are eligible regardless of their date of entry into the U.S.
- Programs without Immigration Status requirements
 - Food Pantries, Commodities & Meal Sites
 - Child Nutrition Programs/School Meals
 - Women, Infants, and Children (WIC)

Pandemic EBT

- P-EBT provides nutritional resources to families who are losing access to free or reduced-price school meals as school across the country close in response to COVID-19.
- P-EBT provides households an EBT card with the value of the free school breakfast and lunch reimbursement rates for the days that schools are closed. Schools must close for at least five consecutive days in order for families to receive a P-EBT card.
- ▶ Eligible households include those whose children are certified to receive free or reduced-price school meals and children who attend schools that offer free school meals to all students (such as community eligibility or Provision 2 schools).

Pandemic EBT STATE PLANS

- On March 20, 2020, the U.S. Department of Agriculture's (USDA) Food and Nutrition Service provided guidance to states on implementing P-EBT.
 - For a state to provide PEBT benefits to households, the state's Supplemental Nutrition Assistance Program (SNAP) and Child Nutrition Agencies must submit a joint plan to USDA that describes how they will operate P-EBT. The plan must include the following:
 - ► How the state will provide P-EBT benefits to the eligible families who participate in SNAP and to the eligible families who do not participate in SNAP.
 - The amount of the benefits that will be provided. The value of the benefit is the free reimbursement rate for school breakfast and lunch for the number of days that the state is providing benefits. States can use an average number of days to calculate benefit levels and an average end date for school closures.
 - The anticipated implementation date(s). States can include two implementation dates: one for families that participate in SNAP and one for those that do no

Disaster-SNAP (D-SNAP)

- D-SNAP provides replacement benefits for SNAP households that lose food and also extends benefits to many other households that would not ordinarily be eligible for SNAP
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- D-SNAP does not have immigration restrictions

Public Charge

- The vast majority of non-citizens eligible to participate in SNAP are not subject to DHS public charge determinations
- Use of SNAP does not automatically make a person a public charge
- Use of SNAP by family members not part of public charge test
- The following programs NOT part of public charge test:
 - ▶ Food Pantries, Commodities & Meal Sites
 - Child Nutrition Programs
 - Free school lunch and breakfast, after school snacks and suppers and summer meals for children 18 and under.
 - ▶ *Summer meal sites are open to everyone 18 and under, no ID require
 - Women, Infants, and Children (WIC)
 - D-SNAP
 - P-EBT

Toplines: Food and Nutrition

- ▶ No one should go hungry during the COVID-19 Epidemic
- Congress should eliminate immigration status restrictions to food and nutrition programs
- Congress should stop the proposed SNAP rules changes that would cut benefits or eligibility
- Congress should expand SNAP benefits to provide relief
 - ▶ 15% increase to SNAP maximum benefit
 - ▶ Increase in SNAP minimum monthly benefit from \$16 to \$30

Filling in gaps left by the federal tax rebate at the state/local level

New Jersey

Sara Cullinane, Director, Make the Road New Jersey

Make the Road New Jersey

- Make the Road New Jersey builds the power of immigrant and working class communities to achieve dignity and respect.
- @MaketheRoadNJ
- Sara Cullinane, Esq. Director sara.Cullinane@maketheroadnj.org 908-768-4991



Organizing for a Just Recovery

- # IAmEssential campaign: featuring stories of excluded workers, young people
- Sign on letter from 70+ orgs to Governor and State legislature
- Zoom press conference with excluded workers
- Action alert to drive emails and calls to legislators: https://p2a.co/YZ0asP9 (English)



State Level Options

- Stimulus Payments for Excluded Workers
- Disaster Relief Fund
- ► EITC for ITIN Filers
- And so many more!

Stimulus Payments for Excluded Workers

- Through state treasury, grant payment to undocumented, excluded workers to all ITIN filers
- ► Appx cost in NJ: \$200 million
- Advantages no need to screen for income, no application process necessary
- Disadvantages: not all have ITIN; state tax system design challenges

Disaster Relief Fund

- Distribute \$600 per week to individuals who have lost employment due to COVID-19 and are ineligible UI
- Cost in NJ is appx \$260 million for 8 weeks for undocumented workers

- Questions: best to distribute through non-profit orgs because state agencies are overwhelmed with UI processing and to avoid privacy issues?
- Consider distribution through different state agencies that may be less burdened.

EITC for ITIN filers

- Earned Income Tax Credit for ITIN filers
- New Jerseyans who file their taxes using an ITIN are currently excluded from the state EITC because it follows the structure of the federal EITC in requiring a Social Security Number that is valid for work for both the tax filer and all children claimed as dependents.
- By expanding the EITC to ITIN filers, NJ can give cash assistance to undocumented people and their families.
- Costs about \$54 million in NJ
- Drawbacks: not a lot of money avg EITC is 288 for single ppl and about 1200 for family. Money may come too late.
- Advantages: establishes a benefit that extends beyond COVID.

Key Issue: How to Fund?

State dollars are the most flexible and best but state revenue is plunging

NJ is in a budget crisis, so we are thinking creatively about how to fund this

Funding Option 1: Federal Dollars

Push for flexible funding at the federal level: while most federal dollars are earmarked and restricted, there is an argument that the state and local funds from the CARES Act may be used for states to administer



Funding Option 2: Bonds

- Some states may issue general obligation bonds which allow them to borrow for revenue purposes
- Argue that disaster relief/cash assistance is within the scope of permissible uses of funds



Funding Option 3: Federal Reserve

- In an unprecedented move, the Federal Reserve System, backed by \$35 billion of equity from the U.S. Treasury, has committed to direct lending of up to \$500 billion to state and local governments. This will be done by authorizing regional Federal Reserve banks to purchase state and local debt up to one-fifth of each jurisdiction's 2017 revenues, through September 30, 2020.
- Provides significant support to states and localities seeking to address revenue gaps and increased costs during the current crisis.
- Unclear whether this funding could be used to fund programs for undocumented or whether just helps to free up state dollars.
- Here are some resources on this option: <u>Memo</u>

Funding Option 4: Tax the Rich!

- Proposals in NY to tax billionaires to create a fund for workers
- Taxes on corporations that are thriving, like Amazon



Funding Option 5: Public/Private

- California: public/private partnership: Statewide public-private partnership. Public funding (disaster relief) \$75M. Philanthropic partners \$50M - California Immigrant Resilience Fund (\$5.5M currently committed by Emerson Collective, Blue Shield of California Foundation, California Endowment, etc.)
- Santa Clara County: Public Funding: County and city funds, \$2M each. Private funding (Cisco \$2M, Adobe, Zoom, Facebook, etc.)

St Paul Minnesota: Local funds from the Housing and Redevelopment Authority and private donors

Other Resources

- Center for NYC Affairs: NY Report on impact of COVID on undocumented work force
- ITEP data on ITIN filers per state



Thank you!

- Follow us! @MaketheRoadNJ
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- https://www.maketheroadnj.org



Filling in gaps left by the federal tax rebate at the state/local level

New Mexico

Gabriela Ibanez Guzman, Staff Attorney, Somos Un Pueblo Unido (New Mexico)

Somos Un Pueblo Unido (New Mexico)

- ► How can we create state-wide institutional change to provide economic relief to mixed-status immigrant families in the time of COVID-19?
 - Soon after our state's Stay-At-Home order was issued—March 13th—we began to brainstorm with allies on what can we push the state to do to extend a life line to our familias.
 - Working in coalition with other immigrant & workers rights organizations and policy, think tank groups, such as our New Mexico Voices for Children.
 - Researched public benefits and tax statutes to see if language within our cash assistance and tax credit/rebate programs could be amended to include our families for a long-term approach.
- Hybrid approach to private dollars
 - Private dollars match the state dollars via receipt or a voucher; leverage additional funds.

I. Public Benefits: cash assistance program

NMSA § 27-2-7. General assistance program; qualifications and payments.

- A. Subject to the availability of state funds, public assistance shall be provided under a general assistance program to or on behalf of eligible persons who:
- (1) are under eighteen years of age and meet all eligibility conditions for the New Mexico Works Act [27-2B-1 NMSA 1978] except the relationship to the person with whom they are living;
- (2) are over the age of eighteen and are disabled, according to rules of the department, and are not receiving cash assistance or services pursuant to the New Mexico Works Act;
- (3) meet the qualifications under other rules for the general assistance program as the department shall establish; or
- (4) are lawful resident immigrants who would otherwise be eligible for cash assistance or services pursuant to the New Mexico Works Act except that they began residing in the United States after August 22, 1996.

Sub-section #3 gives the state flexibility in how to use this funding stream BUT with one caveat>>

Public benefits cont.

- Yet the so-called "Personal Responsibility and Work Opportunity Act of 1996" presents a stumbling block because this federal provision places severe limitations on providing public benefits to undocumented immigrants.
- A key provision of the federal act is codified in 8 USC 1621(d) and reads:
- A State may provide that an alien who is not lawfully present in the United States is eligible for any state or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after August 22, 1996, which affirmatively provides for such eligibility.
- Adding language such as "regardless of immigration status" or something similar to the New Mexican provision in order to make the state statute conform to the federal requirement is an option. However, this ignores the political reality of accomplishing such a feat.

¡Ojo! Reality check

- New Mexico is a small state but we are very dependent on oil & gas for our revenues and our state coffers are quickly depleting. Other states are also going to be facing very soon.
 - ▶ We did a rough estimate>> about 50,000 undoc immigrants.
 - ▶ \$1.7 million>> \$700,000 from state and private dollars.
- Adding undocumented immigrants to public benefits & tax statutes is politically fraught and requires us to work in coalition and have very compelling and tailored messaging as part of a robust public campaign.

II. Tax policies

A. Extending the state equivalent of Earned Income Tax Credit (EITC) to ITIN-filers

- 9-digit tax processing number, created in 1996 by the IRS.
- In 2015, 4.3 million tax filers used an ITIN and generated \$13.7 million in net taxes. In New Mexico, there are about 13,000 ITIN filers between 2016 to 2018– but we believe this number is low.
- Why the EITC?
 - Long track record to show it incentivizes work and helps lift families out of poverty,
 - Larger economic benefit b/c families put the money back into the community,
 - By extending to ITIN-filers makes state tax policy more equitable>> benefit USC children whose parents are foreign-born.
 - ▶ For example, a family of four who earn less than \$55,952 will receive a benefit from \$11 to \$6,557.

II. Tax policies cont.

NM's "Working Families Tax Credit" – NMSA 7-2-18.15-- reads:

- A resident who files an individual New Mexico income tax return may claim a credit in an amount equal to seventeen percent of the federal income tax credit for which that individual is eligible for the same taxable year pursuant to Section 32 of the Internal Revenue Code. The credit provided in this section may be referred to as the "working families tax credit."
- Our proposal calls for amending the statute by creating a new section to read:
 - "A taxpayer who is a resident and who files an individual New Mexico tax return may claim a credit...."

II. Tax policies cont.

B. NM's Low-income Comprehensive Tax Rebate (LICTR)

- Allows "any resident who files an individual New Mexico income tax return and who is not a dependent of another individual may claim a tax rebate..."
- ▶ While it was enacted in the 1970s, the income brackets have not been updated since 1990s and the highest income bracket is \$22,000—benefits the very poor but at a low rebate amount.
- Our proposal would add an indexing component to keep up with inflation and reflect the realities of working families. For example, if LICTR was indexed currently for inflation families earning \$34,000 or less.

Contact information

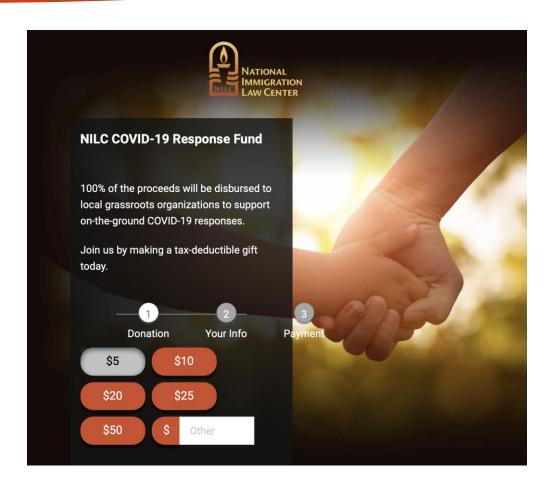


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COVID-19 Response Fund

- Go to NILC.org and consider donating \$5 or less to our COVID-19 Response Fund.
- 100% of the proceeds will be disbursed to local grassroots organizations to support their COVID-19 responses:

https://www.nilc.org/Donate/COVID-19



What's Next at the Federal Level?

Avideh Moussavian, Legislative Director, National Immigration Law Center

What's next for Congress?

- Families First Act and CARES Act were an important start but we need much more
- Address the severity of the public health and economic crises but parties are not aligned
- ▶ Discussing a "3.5" / interim relief bill
 - Republicans' focus on small business relief \$250B not looking beyond this
 - Democrats' also want funds for state and local governments, nutrition assistance, hospitals and more

What's next for Congress?

- COVID-19 4.0 relief bill (aka CARES Act 2.0)
 - Larger relief bill is needed not piecemeal, standalone fixes; but Republicans are resisting this
 - ▶ Timing is unclear
 - Congress extended recess until May 4
 - ▶ Pro forma sessions continue and can vote, but only when unanimous worked with CARES Act but harder now

Take Action

- Call your Members of Congress and urge them to include these priorities:
 - Provide no-cost COVID-19 testing, treatment and vaccines (when available) for all, regardless of immigration status, and ensure coverage under emergency Medicaid
 - Expand immigrant access to rebates by removing SSN requirement
 - Halt implementation of public charge rule
 - Enhance measures to protect workers, including automatic work authorization and status extensions
 - Release people from immigration detention to prevent the spread of COVID-19
 - ► As in CARES Act:
 - Prevent <u>supplemental</u> funds for ICE or CBP
 - ▶ Restrict DHS authority to transfer and reprogram funds for immigration enforcement and border wall

Resources

- COVID-19
 - COVID-19 Messaging Guide https://www.nilc.org/wp-content/uploads/2020/04/NILC-COVID19-Messaging-Guide-2020-04.pdf
 - Understanding the Impact of Key Provisions of the COVID-19 Relief Bills on Immigrant Communities
 https://www.nilc.org/issues/economic-support/impact-of-covid19-relief-bills-on-immigrant-communities/

Stay Informed!

Follow NILC on Facebook, Twitter, and Instagram

Questions?

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