

Taxes and the Immigrant Community



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Just like American citizens, all immigrants and refugees are required to file a tax return and pay taxes if they meet income requirements. This includes immigrants with visas, newly arrived refugees, and even those who are undocumented. The tax process can be fraught with barriers and risks - some, like [notario fraud](#), surprisingly frightening. And the stakes are high, as tax problems can threaten immigration status and even lead to deportation.

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Around 14% of the American population is composed of immigrants and refugees. This equates to around 44 million people. Together, these individuals make up a

higher proportion - over 17% - of the labor force and [pay hundreds of billions in taxes annually](#). In central northeast Ohio, around 3% of our population (over 55,000 people in an eight county region) is foreign born with higher rates in some regions. Around 6% of the population is foreign born in Akron, for example, as the city is a major center for refugee resettlement. According to the International Institute of Akron, the city has resettled refugees from countries including Burma, Bhutan, Nepal, Afghanistan, Ukraine, Vietnam, Syria, Thailand, Uzbekistan, Iraq, the Democratic Republic of the Congo. Akron's North Hill and Middlebury neighborhoods are among the most diverse in the region.

Along with new opportunities and a better chance for safety and freedom, our newest immigrants and refugees face many challenges - learning a new language and new laws, finding a safe place to live, developing a circle of people to trust.

Squarely at the intersection of these sits the country's annual tax obligation which creates a perfect storm of hurdles and potential pitfalls for our newest inhabitants.

When immigrants and refugees arrive, they receive some cultural training to help them understand their basic obligations. Taxes are included in this orientation. However, while individuals may be linked with resources and information, the training may not pierce through the distrust many have in government and its agencies. Many transfer their mistrust of the government in their birth country to the U.S. government. Some are refugees because they suffered persecution and so fear their old persecutors will find them in a new land. They are especially secretive and scared of dealings with any government. Others may only be comfortable with advice from those who speak their own language who arrived before them. This lack of trust in dependable agencies and resources can set them up for victimization.

Additionally, immigrants and refugees have many other vulnerabilities inherent to arrival in a new place. Many have limited English proficiency and are actively learning the language. Some may come illiterate in even their native language or

communicate in a language or dialect specific to their small isolated community - meaning even connection with translation services or translated materials can present problems. Many rely on their children or head of household to help communicate for them, which can pose confidentiality problems. Further, most are isolated within the community with limited access to public and financial resources.

This backdrop creates a hotbed for problems, ripe for predators.

Common among these is what has come to be known as “notario fraud.” Notario is a Spanish word for notary, but according to the American Bar Association has come to encompass any “(i)ndividuals who represent themselves as qualified to offer legal advice or services concerning immigration or other matters of law, who have no such qualification, (and) routinely victimize members of immigration communities.” Notario fraud is rife across the country, and even in central northeast Ohio. Often, notaries play a legitimate role within immigrant and refugee communities, as individuals may arrive with unfinished business overseas. A trusted bilingual notary can play a useful part in the exchange of legal documents. Where things go wrong is when these individuals misrepresent what they can legally handle or, worse yet, commit fraud upon those they claim to help. The newest refugee and immigrant groups are usually at the highest risk of this predation, until they are able to acclimate and find trusted individuals to help their community.

There are some red flags and commonalities with such fraud scams. Examples of many of these have recently harmed northeast Ohio communities including our Karen refugees from southwest Asia and Swahili-speakers from the Democratic Republic of the Congo. Often, the scammer is in a trusted position in the immigrant community. This may be a notary or bookkeeper, or could be a pastor, church elder, or other leader. Almost always, the fraudster speaks the native language of their victim community and builds trust that way. Fraud often centers around tax credits such as the Earned Income Tax Credit (EITC), Child Tax Credit (CTC), or stimulus payments that can generate large refunds. The scammer may fabricate income, create false households, or wrongfully claim children on a return and collect the fraudulent refunds for themselves. Many notarios are savvy and often fabricate less

traceable fake income from hair styling or baby sitting. Some notario scams involve the telephone, with the fraudster calling to threaten immigrants with deportation, fraud, or so-called cancellation of their social security numbers. Victims panic and scramble to pay something they don't owe. Scammers may ask for payment in unlikely forms, like gift cards.

Immigrants and refugees who don't file required taxes, provide inaccurate information on tax forms, or fail to pay what's owed can be prevented from naturalizing and even be at risk of deportation. For example, to be eligible for a green card (as a lawful permanent resident of the United States), applicants must not have committed fraud against the government. The IRS regularly audits the tax returns of low-income individuals, so the risk of being caught in a mistake, omission, or falsification is very real. The state of Ohio, cities, and the Regional Income Tax Agency (RITA) can also all be tenacious and receive information from the IRS on red flags. A failure to pay taxes at any level could result in debt and criminal charges that complicate citizenship eligibility as well.

There are many special considerations for immigrants and refugees to ensure they have the tools they need to navigate these tax-related risks. The bottom line is that everyone should file if their income meets the threshold. This is even true for individuals who are undocumented. A person's tax history shows payment of legal obligations, creates a paper trail of presence in the U.S., and can be used as evidence of good moral character. Additionally, under no circumstances should anyone sign any document, like their tax return, without full understanding of its content. Limited English proficiency is not a defense to tax debt or even tax fraud matters.

What can people do to protect themselves? Immigrants and refugees who need assistance with their taxes should feel safe in seeking help at their [local IRS Volunteer Income Tax Assistance \(VITA\) and Tax Counseling for the Elderly \(TCE\) sites](#). These programs offer free professional basic tax return preparation for qualified individuals, including Limited English-speaking taxpayers. Free professional interpretation services can be requested at these sites as needed. Taxpayers should

not rely on a friend or family member to interpret for them as this also increases the risk of fraud as they share their confidential personal and financial information. If taxpayers struggle to receive the assistance they need, they should call Community Legal Aid. For more information in multiple languages, [see Community Legal Aid's informational flyers on tax scams](#).

And finally some good advice for us all - as notario-like scams can impact any community and scammers are getting shrewder every year. When selecting someone to do your taxes, do your homework. Don't go by word of mouth, but rather seek out independent reviews and credentials. If you ever get a call from someone claiming to be from the IRS or a financial institution, get their name and call back to a telephone number you have verified on their actual website or another credible source. The IRS will never call you and demand payment-or gift cards- over the phone. And most importantly, remember - if you sign it, you own it.

SIDEBAR: Find VITA and TCE sites in your community available to all qualifying households by visiting <https://irs.treasury.gov/freetaxprep/> or calling AARP (888) 227-7669.

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Last updated on February 02, 2023.

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