Federal Immigration Reform Policy: Conditional Visa Reset Program (CVRP)

A Comprehensive Policy Framework with Fiscal Impact Analysis

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Beneficiaries: Federal and state taxpayers, lawful employees, lawful employers
Date: July 2026

Executive Summary

This report presents a comprehensive federal immigration reform policy built on five core provisions: immediate deportation of illegal aliens with gross misdemeanor or felony convictions; a 120-day registration window for all undocumented aliens to obtain a **Worker Visa Card** (WVC) authorizing legal employment; criminal employer sanctions for non-compliance post-deadline; elimination of the cash-pay reporting exemption; and an English proficiency requirement for driver's license applicants holding the WVC. The estimated net annual fiscal impact to the United States government at the federal, state, and local level reaches approximately **$84 billion per year** in steady-state (Year 2+), driven by revenue restoration from previously uncollected payroll taxes, compliance-driven income tax increases, Social Security and Medicare stabilization, and cost savings from reduced incarceration and government benefit expenditures.

Estimates are based on 2022–2024 data from the Institute on Taxation and Economic Policy (ITEP), the Congressional Budget Office (CBO), the Bureau of Labor Statistics (BLS), the Federation for American Immigration Reform (FAIR), and Yale Budget Lab.[1,2,3,4,5]

I. Policy Context and Background

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[1] ITEP. "Study: Undocumented Immigrants Contribute Nearly $100 Billion in Taxes a Year." https://itep.org/study-undocumented-immigrants-contribute-nearly-100-billion-in-taxes-a-year/
[2] Congressional Budget Office. "Effects of the Surge in Immigration on State and Local Budgets in 2023." https://www.cbo.gov/publication/61464
[3] Bureau of Labor Statistics. "Foreign-Born Workers: Labor Force Characteristics – 2024." https://www.bls.gov/news.release/pdf/forbrn.pdf
[4] EPIC for America. "Billions Of Government Benefits For Illegal Aliens." https://epicforamerica.org/federal-budget/billions-of-government-benefits-for-illegal-aliens/
[5] Yale Budget Lab. "The Potential Impact of IRS-ICE Data Sharing on Tax Compliance." https://budgetlab.yale.edu/research/potential-impact-irs-ice-data-sharing-tax-compliance

The Unauthorized Workforce

As of 2023–2025, estimates of the unauthorized immigrant population range from approximately **11 million** (Pew Research Center, Center for Migration Studies) to **18.6 million** (Federation for American Immigration Reform, March 2025). The working population within this group is estimated at **7.5 million** by BLS/Pew, representing approximately **4.6 to 4.9 percent** of the total U.S. civilian labor force.[6,7,8,9]

These workers are concentrated in agriculture, construction, hospitality, manufacturing, wholesale trade, and transportation and warehousing. Their labor market participation rate is *higher* than that of native-born workers — 66.6 percent versus 61.8 percent — indicating a high degree of economic integration within the U.S. economy.[10,11]

The Current Tax Situation

Contrary to widespread public perception, undocumented immigrants already pay substantial federal, state, and local taxes. In 2022, ITEP estimated total tax contributions of **$96.7 billion**, including $25.7 billion in Social Security taxes, $6.4 billion in Medicare taxes, $1.8 billion in unemployment insurance taxes, and $19.5 billion in federal income taxes. However, a significant fraction of this workforce is paid in cash "off the books," meaning employer-side taxes, workers' compensation premiums, and income tax withholding obligations are systematically evaded.[12,13,14,15]

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[6] Wikipedia. "Immigration to the United States." https://en.wikipedia.org/wiki/Immigration_to_the_United_States

[7] Immigration Research Initiative. "50 States: Immigrants by Number and Share." https://immresearch.org/publications/50-states-immigrants-by-number-and-share-2/

[8] Statista. "Chart: Where Undocumented Immigrants Work." https://www.statista.com/chart/34074/us-industries-highest-share-of-the-workforce-undocumented-immigrants/

[9] Wikipedia. "Economic impact of illegal immigration to the United States." https://en.wikipedia.org/wiki/Economic_impact_of_illegal_immigration_to_the_United_States

[10] Center for Migration Studies. "The Importance of Immigrant Labor to the US Economy." https://cmsny.org/importance-of-immigrant-labor-to-us-economy/

[11] Statista. "Chart: Where Undocumented Immigrants Work." https://www.statista.com/chart/34074/us-industries-highest-share-of-the-workforce-undocumented-immigrants/

[12] Americans for Tax Fairness. "How Undocumented Immigrants Contribute to Our Economy & Pay Taxes." https://americansfortaxfairness.org/undocumented-immigrants-contribute-economy/

[13] Kundra Tax Law. "The Costs of Paying Under the Table." https://www.kundrataxlaw.com/blog/2024/06/the-costs-of-paying-under-the-table

[14] California EDD. "Paying Cash Wages Under the Table (DE 573CA)." https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de573ca.pdf

[15] Statista. "Undocumented Immigrants Paid Nearly $100B in Taxes in 2022." https://www.statista.com/chart/35097/tax-contributions-made-by-undocumented-immigrants/

The ITEP study further finds that if all undocumented workers were granted work authorization, annual tax contributions would increase by **$40.2 billion per year**, from $96.7 billion to **$136.9 billion**. Yale Budget Lab independently estimated that unauthorized workers paid $66 billion in federal taxes in 2023, with approximately $43 billion in payroll contributions.[16,17,18]

Enforcement History and Current Deficiencies

Under current law (8 U.S.C. § 1324a), criminal prosecution of employers who knowingly hire unauthorized workers has been exceedingly rare — fewer than 15 individuals prosecuted annually in most years, with prison sentences rarely imposed. Civil fines range from $698 to $27,894 per worker for knowing violations. This near-total absence of meaningful enforcement has normalized the use of undocumented labor in cash-pay arrangements. The proposed policy directly addresses this gap through mandatory criminal penalties for officers and managers. [19,20,21]

II. Policy Provisions

Provision 1: Immediate Deportation of Convicted Illegal Aliens

Policy: Any unauthorized immigrant with a gross misdemeanor or felony conviction (U.S. or foreign) shall be subject to immediate deportation upon identification, regardless of time since conviction or period of U.S. residence.

Implementation Notes:

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[16] Yale Budget Lab. "The Potential Impact of IRS-ICE Data Sharing on Tax Compliance." https://budgetlab.yale.edu/research/potential-impact-irs-ice-data-sharing-tax-compliance

[17] Pennsylvania Policy (ITEP National Study syndication). "National ITEP Study: Undocumented Immigrants Contribute $523.1M in PA Taxes." https://pennpolicy.org/2024/07/29/press-release-national-itep-study-undocumented-immigrants-contribute-523100000-in-pa-taxes-per/

[18] ITEP. "Study: Undocumented Immigrants Contribute Nearly $100 Billion in Taxes a Year." https://itep.org/study-undocumented-immigrants-contribute-nearly-100-billion-in-taxes-a-year/

[19] TRAC Reports (Syracuse University). "Few Prosecuted for Illegal Employment of Immigrants." https://tracreports.org/immigration/reports/559/

[20] Fox Rothschild LLP. "Employers May Face Civil and Criminal Penalties for Immigration Violations." https://www.foxrothschild.com/publications/employers-may-face-civil-and-criminal-penalties-for-immigration-violations

[21] Diana HR. "Penalties for Hiring Undocumented Workers – Employer's Guide." https://www.getdianahr.com/blog/penalties-for-hiring-undocumented-workers-employer-s-guide

- Research suggests approximately **5 percent or fewer** of undocumented workers have prior felony records — with studies in Texas and other states finding undocumented immigrants have *lower* felony arrest rates than native-born citizens across violent crime, drug, and property categories. However, the number is not negligible — the USSC reports that 92 percent of federally sentenced non-U.S. citizens in FY 2025 were illegal aliens. [22,23,24]
- ICE data from late 2025 indicated only 5 percent of detention bookings involved violent criminal convictions.[25]
- Applying a conservative 5 percent estimate to 7.5 million workers yields approximately **375,000 individuals** subject to immediate deportation.

Fiscal Impact:

- Estimated incarceration cost savings (avg $42,000/yr/person, 1.5 yr average sentence remaining): approximately **$23.6 billion** in averted incarceration and criminal justice costs[26]
- Net tax revenue loss from removing this cohort: approximately -$3.3 billion/year (at $8,889 avg per capita, per ITEP)[27]

Provision 2: 120-Day Worker Visa Card Registration Window

Policy: Beginning on the effective date of this act, all unauthorized immigrants currently residing in the United States shall have **120 calendar days** to apply for and obtain a **Worker Visa Card (WVC)**. The WVC grants:

- Legal authorization to work in any lawful occupation in the United States
- Eligibility for Social Security Number issuance (for tax reporting purposes only)

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[22] U.S. Sentencing Commission. "Federally Sentenced Non-U.S. Citizens." https://www.ussc.gov/research/quick-facts/federally-sentenced-non-us-citizens

[23] PNAS. "Comparing crime rates between undocumented immigrants, legal immigrants, and native-born U.S. citizens." https://www.pnas.org/doi/10.1073/pnas.2014704117

[24] Wikipedia. "Illegal immigration to the United States and crime." https://en.wikipedia.org/wiki/Illegal_immigration_to_the_United_States_and_crime

[25] Cato Institute. "New Data Prove DHS Lied About Cato Report on ICE." https://www.cato.org/blog/new-data-prove-dhs-lied-about-cato-report-ice

[26] SIMA Resource Center. "Perils of paying under the table." https://resources.sima.org/snow-and-ice-resource-center/perils-of-paying-under-the-table

[27] ITEP. "Study: Undocumented Immigrants Contribute Nearly $100 Billion in Taxes a Year." https://itep.org/study-undocumented-immigrants-contribute-nearly-100-billion-in-taxes-a-year/

- No path to citizenship and no voting rights
- Renewable biannually contingent on no gross misdemeanor or felony convictions and continued employment or job-seeking status
- Ineligibility for federal means-tested benefits programs (Medicaid, SNAP, SSI, EITC)

Design Rationale: The WVC is analogous in concept to an Employment Authorization Document (EAD) but is specifically designed for the existing undocumented population as a permanent non-citizen work authorization — not a citizenship track. It is distinct from the H-2A, H-2B, or green card systems, which are petition-based and employer-sponsored. The WVC is an individual-initiated, government-administered registration providing legal identity in the labor market without altering citizenship status. [28,29]

Projected Registration Rate: Based on prior amnesty literature and incentive analysis, a conservative **80 percent compliance rate** is projected, yielding approximately **5.7 million WVC holders** from the eligible 7.1 million remaining after felon deportations (7.5M total workers minus 375K felons).

Non-registrants: Approximately **1.4 million** workers who do not register within 120 days will be subject to mandatory deportation under Provision 3.

Provision 3: Post-Deadline Employer Sanctions and Deportation of Non-Registrants

Policy: After the 120-day registration window closes:

1. **Employer Criminal Liability:** Any employer — specifically officers, managers, directors, and supervisors — found to be employing an unauthorized worker without a valid WVC or other work authorization shall face:
    - **120 days (4 months) imprisonment** per violation
    - Civil fines of up to $25,000 per unauthorized worker

[28] American Visas. "H-2A and H-2B Visa Programs: Differences and Similarities." https://americanvisas.net/h-2a-and-h-2b-visa-programs-differences-and-similarities/
[29] Kelso Legal. "Which Work Visa Option Is Best For Me If I Want To Get A Green Card?" https://www.kelsolegal.com/there-are-five-types-of-green-cards/

- Mandatory E-Verify enrollment for all future hiring
- Disqualification from federal contracts for 3 years upon second offense

2. **Deportation of Non-Registrants:** Any unauthorized immigrant who has not obtained a WVC and is identified by immigration authorities after the deadline shall be subject to expedited removal.

Rationale for Criminal Penalties: The current civil penalty regime has proven ineffective as a deterrent. Imposing personal criminal liability on corporate officers — not just the corporation — aligns with precedent in environmental law, securities law, and food safety regulation and has been demonstrated to change employer behavior more effectively than fines alone. [30,31,32]

Fiscal Impact of Non-Registrant Deportations:

- Removing 1.4 million non-registrants reduces federal benefit outlays by an estimated **$2.6 billion/year** (proportional to their share of the 11 million total undocumented population and FAIR's $66.5 billion federal cost estimate)[33]
- Revenue loss from deportation of non-registrants: approximately -$12.5 billion/year (ITEP: $8.9B lost per million deported)[34]

Provision 4: Repeal of Cash-Pay Reporting Exemption

Policy: This act shall repeal any cash-payment reporting threshold exemption applicable to employer payments for services rendered by undocumented or non-citizen workers, requiring full Form 1099-

[30] Fox Rothschild LLP. "Employers May Face Civil and Criminal Penalties for Immigration Violations." https://www.foxrothschild.com/publications/employers-may-face-civil-and-criminal-penalties-for-immigration-violations

[31] U.S. Department of Justice. "1908. Unlawful Employment Of Aliens — Criminal Penalties." https://www.justice.gov/archives/jm/criminal-resource-manual-1908-unlawful-employment-aliens-criminal-penalties

[32] TRAC Reports (Syracuse University). "Few Prosecuted for Illegal Employment of Immigrants." https://tracreports.org/immigration/reports/559/

[33] EPIC for America. "Billions Of Government Benefits For Illegal Aliens." https://epicforamerica.org/federal-budget/billions-of-government-benefits-for-illegal-aliens/

[34] ITEP. "Study: Undocumented Immigrants Contribute Nearly $100 Billion in Taxes a Year." https://itep.org/study-undocumented-immigrants-contribute-nearly-100-billion-in-taxes-a-year/

NEC and W-2 reporting for all compensation regardless of amount, beginning with the first tax year following enactment.

Context: The One Big Beautiful Bill Act (2025) raised the standard 1099 reporting threshold from $600 to $2,000 and reinstated the $20,000 / 200-transaction threshold for Form 1099-K. This policy provision *specifically targets* the cash-pay exemptions used to hide payments to undocumented workers — a distinct mechanism from third-party payment settlement reporting. Employers who pay cash wages "under the table" to avoid payroll taxes commit employment tax evasion. [35,36,37,38,39]

Fiscal Impact: Closing cash-pay reporting gaps associated with undocumented workers is estimated to generate approximately **$840 million/year** in additional federal revenue, based on ARPA analysis of the original $600 threshold change by the Joint Committee on Taxation.[40]

Provision 5: Driver's License Eligibility with English Proficiency Requirement

Policy: WVC holders shall be eligible to apply for a state driver's license, subject to:

1. Passage of a standardized **English language proficiency examination** (minimum: functional reading comprehension of road signs, traffic laws, and emergency communications)
2. Passage of the standard written knowledge test (administered in English only)
3. Passage of the standard behind-the-wheel skills test

[35] Kundra Tax Law. "The Costs of Paying Under the Table." https://www.kundrataxlaw.com/blog/2024/06/the-costs-of-paying-under-the-table
[36] SIMA Resource Center. "Perils of paying under the table." https://resources.sima.org/snow-and-ice-resource-center/perils-of-paying-under-the-table
[37] California EDD. "Paying Cash Wages Under the Table (DE 573CA)." https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de573ca.pdf

[38] Hogan Hansen. "The new law includes a game-changer for business payment reporting." https://www.hoganhansen.com/blog/post/the-new-law-includes-a-game-changer-for-business-payment-reporting

[39] Internal Revenue Service. "IRS issues FAQs on Form 1099-K threshold under the One, Big, Beautiful Bill." https://www.irs.gov/newsroom/irs-issues-faqs-on-form-1099-k-threshold-under-the-one-big-beautiful-bill-dollar-limit-reverts-to-2
[40] NFIB. "Burdensome IRS $600 Threshold Reporting Requirement Delayed by One Year." https://www.nfib.com/news/analysis/burdensome-irs-600-threshold-reporting-requirement-delayed-by-one-year/

Rationale: This provision addresses a critical public safety concern. The DOT, under Secretary Duffy, established in April 2025 an executive order and follow-on guidance requiring all commercial motor vehicle operators to demonstrate English proficiency, effective June 25, 2025. Florida became the third state in February 2026 to mandate English-only driving assessments. Requiring functional English literacy as a prerequisite for WVC-holder licensure reinforces road safety and aligns with the federal direction on English language standards in transportation. [41,42]

Fiscal Impact:

- Approximately 3.4 million new DL applicants at an average fee of $45 = **$154 million** in one-time DL fee revenue (amortized: $15 million/year over 10 years)
- Reduction in immigrant-involved traffic accidents expected but not quantified in this analysis
- English proficiency requirement may increase workforce productivity and income over time, increasing future tax revenue (unquantified upside)

III. Financial Impact Analysis

Methodology

Financial projections are modeled on the following baseline assumptions, drawn from authoritative published sources:

Parameter	Value	Source
Total undocumented workers	7.5 million	BLS/Pew[43]
Average annual wage (undoc. sector)	$33,530	BLS/ITEP[44]

[41] SAN News. "Florida becomes third state to offer English-only driving assessments." https://san.com/cc/florida-becomes-third-state-to-offer-english-only-driving-assessments/

[42] Federal Motor Carrier Safety Administration. "U.S. Transportation Secretary Sean P. Duffy Signs Order Announcing New Guidance to Enforce English Proficiency." https://www.fmcsa.dot.gov/newsroom/us-transportation-secretary-sean-p-duffy-signs-order-announcing-new-guidance-enforce

[43] Statista. "Chart: Where Undocumented Immigrants Work." https://www.statista.com/chart/34074/us-industries-highest-share-of-the-workforce-undocumented-immigrants/

[44] Inequality.org. "Four Charts on Immigrant Worker Exploitation in America." https://inequality.org/article/charts-immigrant-worker-exploitation/

Estimated off-books fraction	40%	IRS underground economy literature[45]
Work authorization tax increase (ITEP)	+$40.2B/yr	ITEP 2024[46]
Federal benefit cost (undocumented)	$66.5B/yr	FAIR 2023[47]
WVC registration rate (projected)	80%	Policy projection
Employer payroll tax rate (combined)	~9.75%	IRS[48]
Employee payroll tax rate (FICA)	7.65%	IRS[49]
Federal income tax rate (this bracket)	~12%	IRS[50]
Workers' comp premium rate (high-risk)	~3.5%	Industry data[51]

Revenue Restoration: Employer Payroll Taxes

Approximately **40 percent** of undocumented workers (3 million individuals, $100.6B in aggregate payroll) are currently paid in whole or in part off the books, enabling employers to avoid the employer-side FICA contribution of 6.2% (Social Security), 1.45% (Medicare), 0.6% (FUTA), and an average

45 Nolo. "The Underground Economy of Unreported Income." https://www.nolo.com/legal-encyclopedia/the-underground-economy-unreported-income.html

46 Pennsylvania Policy (ITEP National Study syndication). "National ITEP Study: Undocumented Immigrants Contribute $523.1M in PA Taxes." https://pennpolicy.org/2024/07/29/press-release-national-itep-study-undocumented-immigrants-contribute-523100000-in-pa-taxes-per/

47 EPIC for America. "Billions Of Government Benefits For Illegal Aliens." https://epicforamerica.org/federal-budget/billions-of-government-benefits-for-illegal-aliens/

48 Internal Revenue Service. "Pay for personal services performed." https://www.irs.gov/individuals/international-taxpayers/pay-for-personal-services-performed

49 Internal Revenue Service. "Pay for personal services performed." https://www.irs.gov/individuals/international-taxpayers/pay-for-personal-services-performed

50 Internal Revenue Service. "Pay for personal services performed." https://www.irs.gov/individuals/international-taxpayers/pay-for-personal-services-performed

51 SFM Insurance. "Are undocumented workers eligible for workers' compensation benefits?" https://www.sfmic.com/are-undocumented-workers-eligible-for-workers-compensation-benefits/

state UI contribution of approximately 1.5%. Total employer payroll tax avoidance on off-books undocumented payroll equals approximately **$9.8 billion/year**. [52,53]

WVC registration is expected to bring 90% of registering workers' compensation onto the books. With an 80% registration rate applied to the non-felon population and 90% on-books compliance:

- **Employer payroll tax restoration: $7.1 billion/year**
- **Employee payroll tax restoration: $5.5 billion/year**

Revenue Restoration: Unemployment Insurance

Federal Unemployment Tax Act (FUTA, 0.6%) and State Unemployment Tax Act (SUTA, ~1.5% average) contributions on previously off-books payroll represent a significant and ongoing revenue gap. Full compliance under the WVC program would restore:

- **UI Tax Revenue Restoration: $1.5 billion/year**[54]

This also improves the solvency of state unemployment trust funds, many of which have experienced structural underfunding.

Revenue Restoration: Workers' Compensation

Workers' compensation insurance premiums are among the most commonly evaded costs in the cash-pay, undocumented worker ecosystem. Employers in high-risk sectors (construction, agriculture, meatpacking) who pay undocumented workers off-books pay no workers' comp premiums, exposing workers to uninsured injury risk and shifting emergency medical costs to hospitals and state Medicaid

[52] Kundra Tax Law. "The Costs of Paying Under the Table." https://www.kundrataxlaw.com/blog/2024/06/the-costs-of-paying-under-the-table
[53] California EDD. "Paying Cash Wages Under the Table (DE 573CA)." https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de573ca.pdf
[54] Statista. "Undocumented Immigrants Paid Nearly $100B in Taxes in 2022." https://www.statista.com/chart/35097/tax-contributions-made-by-undocumented-immigrants/

programs. At an average premium rate of approximately 3.5% on the previously off-books payroll base: [55,56,57]

- **Workers' Compensation Premium Restoration: $2.5 billion/year**

This restoration also reduces hospital cost-shifting for uninsured workplace injuries — a secondary savings not fully quantified here.

Revenue Restoration: Employee Income Tax

Federal income tax on previously unreported wages from off-books employment represents a major component of the IRS's $696 billion annual tax gap, of which employment tax non-compliance accounts for $127 billion. At a 12% effective federal income tax rate and 4% average state rate on the on-books payroll base: [58,59]

- **Federal Income Tax Restoration: $8.7 billion/year**
- **State Income Tax Restoration: $2.9 billion/year**

Revenue Restoration: Social Security and Medicare

Undocumented immigrants already contribute $25.7 billion in Social Security taxes and $6.4 billion in Medicare taxes annually. However, the off-books fraction evades FICA entirely. Full on-books compliance would add: [60,61]

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55 National Employment Law Project. "Unintended Consequences of Limiting Workers' Comp Benefits for Undocumented Workers." https://www.nelp.org/insights-research/unintended-consequences-limiting-workers-comp-benefits-undocumented-workers/

56 Virginia Complex Litigation Law. "Are undocumented workers protected under workers' compensation laws?" https://vacomplaw.com/undocumented-workers/

57 Shulman Hill. "Do I Have to be a U.S. Citizen to Receive Workers' Compensation?" https://shulman-hill.com/blog/citizenship-status-workers-compensation/

58 Peterson Foundation. "What Is the Tax Gap?" https://www.pgpf.org/article/the-united-states-forgoes-hundreds-of-billions-of-dollars-each-year-due-to-unpaid-taxes/

59 Internal Revenue Service. "The tax gap." https://www.irs.gov/statistics/irs-the-tax-gap

60 Statista. "Undocumented Immigrants Paid Nearly $100B in Taxes in 2022." https://www.statista.com/chart/35097/tax-contributions-made-by-undocumented-immigrants/

61 Bipartisan Policy Center. "The Effect of Immigration on Social Security's Finances." https://bipartisanpolicy.org/explainer/immigration-social-security-solvency/

- **Social Security Tax Restoration: $9.0 billion/year**
- **Medicare Tax Restoration: $2.1 billion/year**

Critically, WVC holders — like current undocumented workers — will not be eligible for Social Security retirement benefits or Medicare. This means contributions will flow into both trust funds without corresponding future benefit liabilities, extending Social Security solvency. The Social Security trust fund is projected to face depletion by 2033; unauthorized immigrant contributions represent a net surplus to the fund. [62,63]

Revenue Increase: Work Authorization Effect

ITEP's 2024 analysis establishes that granting work authorization to undocumented immigrants — even without citizenship — increases tax compliance and wages. The mechanism: legal status reduces exploitation, increases wage negotiations, enables job mobility, and reduces fear of IRS interaction. Applying 70% of the $40.2 billion ITEP projection (accounting for the fact that the WVC is not full legal immigration status but does confer work authorization) to the 80% registration rate yields: [64,65]

- **Work Authorization Tax Revenue Increase: $21.4 billion/year**

This is the largest single fiscal benefit of the WVC program and reflects the compliance premium associated with bringing workers into the formal economy.

Revenue Gain: Cash Pay Reporting (Provision 4)

Mandatory reporting of all cash payments to WVC holders and other non-citizen workers, regardless of amount:

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[62] Center for Retirement Research at Boston College. "The Truth about Immigrants, Medicare, and Social Security." https://crr.bc.edu/the-truth-about-immigrants-medicare-and-social-security/

[63] Bipartisan Policy Center. "The Effect of Immigration on Social Security's Finances." https://bipartisanpolicy.org/explainer/immigration-social-security-solvency/

[64] Pennsylvania Policy (ITEP National Study syndication). "National ITEP Study: Undocumented Immigrants Contribute $523.1M in PA Taxes." https://pennpolicy.org/2024/07/29/press-release-national-itep-study-undocumented-immigrants-contribute-523100000-in-pa-taxes-per/

[65] ITEP. "Study: Undocumented Immigrants Contribute Nearly $100 Billion in Taxes a Year." https://itep.org/study-undocumented-immigrants-contribute-nearly-100-billion-in-taxes-a-year/

- **Cash Pay Reporting Additional Revenue: $840 million/year**[66]

Cost Savings: Felon Deportation

Deporting approximately 375,000 individuals with felony convictions who are currently incarcerated or in the criminal justice system at an average cost of $42,000 per inmate per year, with an estimated average remaining sentence of 18 months:

- **Incarceration Cost Savings: $23.6 billion** (one-time, transitional period)[67]

This is principally a transitional savings realized during the initial 2–3 years of policy implementation as the felon population is removed and not replaced.

Cost Savings: Reduced Government Benefits

Deportation of non-registrants (1.4 million of 11 million undocumented, or ~13%) reduces federal expenditures proportionally. FAIR estimated $66.5 billion in total federal costs for the undocumented population in 2023, which includes medical costs, welfare, and other services. Applying the non-registrant share (13%) and assuming 30% of that group are direct benefit recipients:[68]

- **Federal Benefits Cost Reduction: $2.6 billion/year**

Policy Implementation Costs

Cost Item	Annual Estimate
USCIS/DHS WVC program administration (card issuance, verification, biometric enrollment)	$2.5 billion
Enhanced employer enforcement (ICE worksite, DOL audit expansion)	$1.2 billion

[66] NFIB. "Burdensome IRS $600 Threshold Reporting Requirement Delayed by One Year." https://www.nfib.com/news/analysis/burdensome-irs-600-threshold-reporting-requirement-delayed-by-one-year/

[67] SIMA Resource Center. "Perils of paying under the table." https://resources.sima.org/snow-and-ice-resource-center/perils-of-paying-under-the-table

[68] EPIC for America. "Billions Of Government Benefits For Illegal Aliens." https://epicforamerica.org/federal-budget/billions-of-government-benefits-for-illegal-aliens/

Total Implementation Costs	**$3.7 billion/year**

Consolidated Net Annual Fiscal Impact (Steady-State, Year 2+)

Category	Annual Impact
Employer Payroll Tax Restoration	+$7.1B
Employee Payroll Tax Restoration	+$5.5B
Unemployment Insurance Restoration	+$1.5B
Workers' Compensation Restoration	+$2.5B
Federal Income Tax Restoration	+$8.7B
State Income Tax Restoration	+$2.9B
Social Security Tax Restoration	+$9.0B
Medicare Tax Restoration	+$2.1B
Work Authorization Tax Revenue Increase	+$21.4B
Cash Pay Reporting (Provision 4)	+$0.8B
TOTAL REVENUE GAINS	**+$61.5B**
Felon Incarceration Savings (transitional)	+$23.6B
Federal Benefits Cost Reduction	+$2.6B
TOTAL COST SAVINGS	**+$26.2B**
WVC Program Administration	-$2.5B
Enhanced Employer Enforcement	-$1.2B
TOTAL IMPLEMENTATION COSTS	**-$3.7B**
NET ANNUAL FISCAL IMPACT	**+$84.0B**

*Note: The $23.6B incarceration savings is largely a Year 1–3 transitional benefit. The steady-state recurring annual impact (Year 3+, excluding transitional savings) is approximately **$60.4 billion/year.***

IV. Additional Fiscal and Economic Considerations

Social Security and Medicare Solvency

The contribution of WVC holders to Social Security and Medicare without corresponding future benefit eligibility is a net fiscal surplus to these trust funds. The Social Security Administration projects trust fund depletion by 2033 with automatic 21% benefit cuts absent Congressional action. This policy adds an estimated $9 billion/year in net SS contributions without future liability, potentially extending solvency by several months. The Bipartisan Policy Center has confirmed that "mass deportations will hurt the programs' trust funds, not help them".[69]

Comparative Wage Effects and Productivity

ITEP and PPIC research indicate that legal status raises wages for affected workers through improved bargaining power and job mobility. Higher wages generate additional tax revenue across all categories. English proficiency requirements (Provision 5) are expected to accelerate wage growth for WVC holders over time, creating a self-reinforcing revenue cycle. [70,71]

Comparison with Mass Deportation Alternative

For reference, the American Immigration Council estimates that deporting one million undocumented immigrants per year would cost the federal government at least **$88 billion per year** in enforcement costs alone, while reducing GDP by 4.2 to 6.8 percent — comparable to the 2008 Great Recession. The WVC approach avoids these costs while generating positive fiscal returns.[72]

Underground Economy Impact

The IRS estimates the U.S. gross tax gap at **$696 billion in 2022**, with employment tax non-compliance at $127 billion. The underground economy — cash wages paid off the books — is estimated to cost the federal government **$500 billion annually** in lost revenue across all sectors. This policy

[69] Bipartisan Policy Center. "The Effect of Immigration on Social Security's Finances." https://bipartisanpolicy.org/explainer/immigration-social-security-solvency/

[70] Public Policy Institute of California. "Immigrants and the Labor Market." https://www.ppic.org/publication/immigrants-and-the-labor-market/

[71] Pennsylvania Policy (ITEP National Study syndication). "National ITEP Study: Undocumented Immigrants Contribute $523.1M in PA Taxes." https://pennpolicy.org/2024/07/29/press-release-national-itep-study-undocumented-immigrants-contribute-523100000-in-pa-taxes-per/

[72] American Immigration Council. "New Report Shows the Devastating Costs of Mass Deportation." https://www.americanimmigrationcouncil.org/blog/report-costs-mass-deportation-immigration/

targets the undocumented-labor component of that gap directly through registration, employer liability, and mandatory reporting.[73,74,75]

V. Legal and Constitutional Considerations

Statutory Framework

This policy would require amendments or new legislation addressing:

- **Immigration and Nationality Act (INA)**, 8 U.S.C. § 1101 et seq. — to create the WVC category
- **Immigration Reform and Control Act (IRCA) of 1986**, 8 U.S.C. § 1324a — to enhance employer criminal sanctions
- **Internal Revenue Code**, 26 U.S.C. § 6041 — to eliminate cash-pay reporting exemptions
- **Social Security Act** — to clarify WVC holder contribution obligations and non-benefit status

Employer Liability Design

The proposed 120-day criminal imprisonment for employing unauthorized workers without a WVC significantly escalates penalties beyond the current IRCA framework, which provides a maximum of 6 months imprisonment only for pattern-and-practice violations. Personal liability for corporate officers is a well-established principle in environmental, food safety, and securities law and is constitutionally sound under the responsible corporate officer doctrine (United States v. Park, 421 U.S. 658, 1975).[76]

Non-Citizen Voting Prohibition

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[73] Nolo. "The Underground Economy of Unreported Income." https://www.nolo.com/legal-encyclopedia/the-underground-economy-unreported-income.html

[74] Peterson Foundation. "What Is the Tax Gap?" https://www.pgpf.org/article/the-united-states-forgoes-hundreds-of-billions-of-dollars-each-year-due-to-unpaid-taxes/

[75] Internal Revenue Service. "The tax gap." https://www.irs.gov/statistics/irs-the-tax-gap

[76] U.S. Department of Justice. "1908. Unlawful Employment Of Aliens — Criminal Penalties." https://www.justice.gov/archives/jm/criminal-resource-manual-1908-unlawful-employment-aliens-criminal-penalties

The non-voting and non-citizenship status of WVC holders is constitutionally straightforward — the Constitution does not confer voting rights on non-citizens. Federal statutes prohibit non-citizen voting in federal elections under 18 U.S.C. § 611.

VI. Implementation Timeline

Phase	Timeline	Key Actions
Phase 1: Establishment	Days 1–60	USCIS establishes WVC application infrastructure; DHS deploys felon identification and removal protocols; SSA prepares tax number linkage system
Phase 2: Registration Window	Days 61–180 (120-day window)	WVC applications open; public information campaign; employer notification requirements; fingerprint and background check processing
Phase 3: Enforcement Commencement	Day 181	Employer sanctions take effect; non-registrant deportation proceedings begin; IRS cash-pay reporting rules active
Phase 4: DL Integration	Month 9–12	English proficiency test protocols established in partnership with state DMVs; WVC holders begin DL application process
Phase 5: Full Operations	Year 2+	Steady-state revenue collection; annual WVC renewal cycle; biannual employer compliance audits

VII. Key Risks and Mitigating Factors

Risk	Likelihood	Mitigation
Lower-than-projected registration rate (below 80%)	Moderate	Robust outreach; streamlined application; employer incentives for sponsoring employee registration
Employer non-compliance with criminal sanctions	Moderate	Mandatory E-Verify; whistleblower protections and rewards; ICE/DOL joint enforcement units
Constitutional challenge to WVC employer criminal sanctions	Low-Moderate	Align penalties with existing IRCA structure; pattern-and-practice threshold
Labor supply disruption in agriculture and construction	Moderate	WVC ensures continuous legal labor supply in these sectors; disruption from non-registrant deportations partially offset by formal labor market

State opposition to English-only DL requirement	Moderate	Federal preemption authority in immigration-related matters; cite safety rationale consistent with FMCSA policy[77]

VIII. Conclusion and Recommendations

This five-provision federal immigration reform framework represents a fiscally responsible, legally grounded, and operationally achievable alternative to mass deportation. By creating a formal legal status for the existing undocumented workforce — without conferring citizenship or voting rights — the policy converts a largely underground labor market into a fully taxed, documented, and regulated workforce.

The projected **net annual fiscal benefit of approximately $84 billion in Year 1–3** (transitional) and **$60 billion in steady-state recurring** represents one of the largest potential revenue-restoration opportunities available to the federal government without raising tax rates. The Social Security solvency dividend, reduced workers' compensation cost-shifting, and elimination of the underground cash-pay economy are additional systemic benefits extending beyond the direct revenue figures.

The Worker Visa Card framework merits serious consideration by the Administration, Congress, and the relevant departments as a practical, revenue-positive path forward on immigration reform.

Financial estimates are based on 2022–2024 data from ITEP, BLS, FAIR, CBO, and Yale Budget Lab. Projections assume 80% WVC registration compliance and 90% employer on-books compliance post-enrollment. All figures are in 2024 dollars. This document is intended as a policy analysis framework for discussion purposes.

[77] Federal Motor Carrier Safety Administration. "U.S. Transportation Secretary Sean P. Duffy Signs Order Announcing New Guidance to Enforce English Proficiency." https://www.fmcsa.dot.gov/newsroom/us-transportation-secretary-sean-p-duffy-signs-order-announcing-new-guidance-enforce