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Mexicans residing in the U.S. may help foot the bill, if certain members of Congress get their way.

**Ken Berry, JD** • Jun. 12, 2017



Who's going to pay for the infamous border wall? Maybe not Mexico directly, but Mexicans residing in the U.S. may help foot the bill, if certain members of Congress get their way.

One of the bold promises made by President Trump during his campaign was to build a wall across the southern border of the U.S. to block illegal immigrants and require

Mexico to pay for it. Although the president has now conceded that the U.S. must

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transfers and not to businesses moving money abroad to Mexico or one of the safe tax havens like the Cayman Islands.

“This bill is simple — anyone who sends their money to countries that benefit from our porous borders and illegal immigration should be responsible for providing some of the funds needed to complete the wall,” said Rogers in a press release. “This bill keeps money in the American economy, and most importantly, it creates a funding stream to build the wall.”

But detractors protest that this amounts to double tax. First, someone who earns money in the U.S. from a job or other avenues pays income tax on the earnings. Then, when that person sends money home to relatives living in Mexico or another Latin America country, it's taxed again.

How much revenue would such a border wall tax generate? Estimates vary. While the World Bank puts remittances from the U.S. at around \$50 billion a year, the Pew Research Center placed the figure closer to \$133 billion in a 2015 analysis.

Certainly, Mexico is one of the main benefactors, with China and India next in line. Conservatively, if the event the current House bill were passed, it would result in extra tax revenue of more than \$2 billion a year.

President Trump had already proposed that taxing remittances sent back home might be a substitute method for paying for the wall. But his initial plan was complicated, requiring new regulations for wiring transfers that ultimately might force Mexico into cutting Uncle Sam a big check. Trump also threatened to cancel visas, boost fees on visas issued to Mexicans and impose tariffs on Mexican goods imported into the U.S. as a way to force our southern neighbor to play ball.

The new House bill is much simpler and spreads out the tax misery to a wider

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Congress. We will see if the Trump administration can help navigate a wall-building legislation to the President's desk.

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