The Freedom Tax

The Republican president who's raised fees on exactly the things he wants immigrants to do—work hard, play by the rules, and become citizens.

By Jonathan Rowe

Let's say you are an excitable partisan of the right, the kind for whom a small tax increase foretells a Stalinist ascent. You have just learned of a government levy that has gone up by over 50 percent in the past four years. This levy hits people at the very start of their entrepreneurial journey. It comes along with a bureaucracy so labyrinthine and inept that those subject to it pay thousands of additional dollars in lawyer fees and other expenses just trying to meet its demands.

Taxes, lawyers, bureaucrats—it is acetylene to your ideological passions. Your outrage is in a white heat. Instinctively your mind sets to work on a polemical weapon with which to hack this beast to bits. The phrases start coming. The federal government is determined to crush the dreams of the honest and hard-working people. The liberals and their bureaucrat buddies want to drown aspiration and kill hope. While brave Americans fight to extend freedom abroad, the liberal taxers want to quash it here at home. They want to impose a Freedom Tax. Quick, get Grover Norquist.

Except for one thing. The tax-and-spenders weren't behind the draconian increases at issue here. They happened on the watch of George W. Bush himself. And the target of this big hike was a demographic group for which the president has expressed his deepest regard—recent immigrants. These are mainly yellow- and dark-skinned people who have come here legally and are trying to live up to their responsibilities in their new land. They are people for whom America truly is the beacon of freedom the president proclaims it to be. Yet in the past four years, the Bush team has rewarded their faith with boosts in immigration fees that amount to a big tax increase.

At the Republican National Convention, Gov. Arnold Schwarzenegger spoke with eloquence of the dream that draws newcomers to this land. "They come because their hearts say to them, as mine did, 'If only I can get to America.'" President Bush has echoed those sentiments; often he declares that America is a "welcoming" nation. When the president says such things, people might bear in mind exactly how his administration has chosen to welcome them—by raising taxes on exactly the things Washington supposedly wants immigrants to do: work to support their families, play by the rules, and become citizens.

Jose, take a hike

The nation's immigration bureaucracy churns far below the radar of the national media, but if you are a recent immigrant you know the story too well. Over the last four years, the U.S. Citizenship and Immigration Services (more commonly USCIS; it was called the INS before it was ingested by the new Department of Homeland Security) has been raising prices like a greedy plywood salesman before a hurricane. It has hiked 31 existing fees and added nine categories of

Jonathan Rowe is a Washington Monthly contributing editor.
new ones. The most common have gone up by over 50 percent. Because the process of entering the United States legally involves many separate bureaucratic steps; moreover, the fees pile up the way tolls on the Connecticut Turnpike used to do, with booths every few miles. We're talking real money, for people who generally do not have much.

Say you want to come to the United States to join family members already here. First, your relative must file a petition on your behalf. That cost $110 when Bush took office; now the fee is $185. Once you’ve been approved, you’ll need a green card to enter and remain in the country. In 2001, the fee was $220; now it's $315. In addition, you must pay the immigration service to take your fingerprints; that fee has nearly tripled in the past four years from $25 to $70.

That's Bush family policy for immigrants, and it's just the beginning. If you're already living in the United States on a student or work visa when you apply for your green card, you'll have to pay even more fees—all of which have gone up. While you're waiting for your green card—often more than a year—you might have to go home on a family matter. A "parole visa" to get back into the United States will cost you $165, up from $95. If you finish school or change jobs before your green card arrives, you'll need to file a separate application to work here legally (2001 fee $100; 2004 fee $175). Four years ago, these fees would have totaled $550; now the sum is $910. Your tax to live and work legally in the United States went up 65 percent.

Once you've been here as a "permanent resident" for several years, you can apply for the Holy Grail—U.S. citizenship, which means a U.S. passport and the right to vote. It will cost $320, up from $225 four years ago. Plus you’ll have to pay for another round of fingerprints at $70. Your tax to become an American citizen went up 55 percent.

If you're moving here with children or other family members, moreover, multiply those fees several times over. And all that is just the obvious part of the Freedom Tax. Immigrants must spend additional sums on the monumental hassles of dealing with the immigration bureaucracy. That includes days off to travel to a district immigration office and wait in a line that stretches around the block. By most accounts, the waits have gotten longer, and the service worse over the past four years. The administration has privatized the I-800 help line, and the new privatized workers don't really know immigration law. They just read from scripts, and often give out incomplete and conflicting information. My wife is an immigrant from the Philippines, and our whole family had to stay overnight in a hotel in San Francisco and get in line early the next morning because the privatized help line had given us incomplete information. (It's a long story.)

Then there are the lawyer fees. The immigration bureaucracy is a world of unintelligible forms and Kafkaesque procedures that practically requires professional help, especially if your grip on English is shaky. Immigrants have long passed the hat among relatives to raise the money for an immigration lawyer, who will charge $1,000 or more for a routine case. The need has become even greater since 9/11 with the enhanced security procedures. One immigration attorney reports that since 9/11, she and her colleagues have received a bevy of nonsensical agency requests for additional information regarding applications, many of which appear to have been directed to the wrong recipient. The president is indignant at the thought that ordinary Americans might need to retain a lawyer to seek justice from a large corporation. But he apparently has no problems with a system that requires the most powerless among us to retain a lawyer just to deal with their own government.

Statutes of liberty

In the end, most immigrants find a way to pay the fees and the rest of the Freedom Tax as well. They borrow and scrape, but they do pay. American residence is a seller's market. So, it's largely a matter of principle: How hefty should the tax be on people who seek freedom in America? I'm not talking about how many or few immigrants the nation should admit. That's a separate matter for Congress to decide. The question rather is what kind of financial burden the government should impose on those it deems should come in.

There's nothing wrong with a nominal fee to help pay costs and to convey the significance of entering the
United States. But a 50-percent hike over four years requires an explanation. The administration cites the cost of additional security after 9/11—some $21 per application, according to the USCIS estimate. But that figure amounts to less than half the amount of the average recent fee increase. What, then, does the rest of the increased fees revenue pay for? Partly, says the agency, it will cover the costs of settling pending litigation, something that rightly used to come from congressional appropriations. Another part will cover the costs of a study of how the agency can privatize more of its functions. (The privatized telephone help line has meant worse service, not better.) The nation’s immigration system has long been underfunded and desperately needs an infusion of resources. But why should we expect new immigrants to pay for decades of neglect all by themselves?

The administration responds that it is simply following a law that calls for the immigration service to pay for itself. But the law in question—which was signed by Bush’s father—expresses a goal, not a mandate. “The law allows the immigration service to pay for itself through fees,” says Judy Golub, an attorney at the American Immigration Lawyers Association in Washington; it “doesn’t require” that it do so. Bush could have pushed for more funds from Congress to help bring the USCIS up to speed, something that is desperately needed. Instead, the president’s budget calls for reducing appropriations by 41 percent, from $236 million in 2004 to $140 million in 2005.

Let’s put this into some fiscal perspective. The total fee revenues for USCIS this year are $1.571 billion, with appropriated funds added on. The agency’s total budget is less than 1 percent of the Bush tax cuts, most of which went to the wealthiest Americans. In other words, if the president had reduced those cuts by just a tiny amount, he could have eliminated immigration fees entirely. Or, he could have spent the money it will take to enable the agency to do its job. Or both.

That is, if he really wanted to make this a “welcoming” nation.

Opportunity costs

So in the end, the fee hikes are not about accounting but rather about political economy. They reflect the administration’s beliefs regarding who should pay for government and who should get the benefits. It has cut taxes for the affluent, even as the costs of government have continued to rise. The result has been a hidden shift of burdens onto the middle and working classes. In the face of rising demand and flat or falling revenues from the federal government, for example, tuition at state and community colleges—the traditional gateways of opportunity in America—has soared during Bush’s watch. For example, in California, tuition fees are up 40 percent over the last two years alone. The budget dominoes that begin to fall in Washington inflict pain up and down the line.

Of course, many on the right have no problem with shifting burdens downward. It’s their goal; and if taxes help turn ordinary people against the government, then all the better. But when it comes to the enormous hikes in immigration fees, there is a consequence that Republicans might want to reconsider. They are fond of saying that “when you tax something, you get less of it.” Well, what happens when you increase the tax that immigrants pay to live and work here legally?

Res ipsa loquitur as the lawyers say. The thing speaks for itself. A Freedom Tax really is an apt phrase. Where is Grover Norquist when the tired and poor of the world really need him?