



CONGRESSIONAL HISPANIC CAUCUS
119th Congress

May 16, 2025

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The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

Dear Speaker Johnson,

As members of the Congressional Hispanic Caucus, we write today urging you to reject the proposed 5% excise tax on remittance transfers recently advanced by the House Ways and Means Committee. This deeply misguided provision—tucked into the House GOP's broader tax bill—disproportionately targets immigrant communities, undermines economic ties with our hemispheric neighbors, and contradicts the very principles of economic freedom and personal responsibility that this body claims to uphold.

Remittances—voluntary money transfers sent by individuals in the U.S. to loved ones abroad—are a cornerstone of both humanitarian support and economic development. In 2023 alone, residents of the United States sent \$93 billion in remittances globally, according to the World Bank.¹ These transfers are not frivolous luxuries; they are vital for helping family members abroad cover food, clothing, education, and housing in countries where such basic necessities are often out of reach. As Paul M. Vaaler, a professor at the University of Minnesota, aptly put it, remittances are lifelines that also fund entrepreneurial activity and local economic resilience.²

This proposed tax would cover more than 40 million people, including green card holders and nonimmigrant visa holders—H-1B, H-2A, and H-2B workers among them—while exempting U.S. citizens.³ This creates a troubling two-tier system that punishes law-abiding, hardworking immigrants who contribute to our economy and who often work essential jobs in agriculture, health care, infrastructure, and tech. It is discriminatory in practice and punitive in effect.

¹ World Bank staff estimates based on IMF balance of payments data. (n.d.). *Personal remittances, paid (current US\$)*. World Bank Open Data. https://data.worldbank.org/indicator/BM.TRF.PWKR.CD.DT?most_recent_value_desc=true&locations=US%29

² Fields, S. (2023, November 19). *Why Remittances Grew Again in 2023*. Marketplace. <https://www.marketplace.org/story/2023/12/19/remittances-grew-again-in-2023>

³ Santana, R. (2025, April 22). *What is the highly coveted H-1B visa? trump administration moves put attention on the program*. AP News. <https://apnews.com/article/immigration-h1b-visa-trump-student-employment-tech-4b7e5d9d4abb4df27832c12574c79f42>

More broadly, this policy would strain U.S. diplomatic and economic relationships. Latin America and the Caribbean (LAC) received over \$160.9 billion in remittances last year—\$65.1 billion of that went to Mexico alone, followed by significant flows to Guatemala, the Dominican Republic, Colombia, and El Salvador.⁴ The Inter-American Development Bank noted that these transfers grew by 9% in 2023 and are critical to regional stability and development. Targeting them with a federal tax sends an unmistakable message of hostility to both migrant workers and our neighbors in the Western Hemisphere.

Mexican President Claudia Sheinbaum has already publicly condemned this proposal, calling it economically damaging to both countries and a betrayal of American values.⁵ She is right. A tax on remittances not only burdens families in need—it also undercuts efforts to reduce irregular migration. Experts and former migrants have long warned that limiting remittances would worsen the very migration pressures Congressional Republicans claim they want to address. When money flows stop, desperation will push more people to take the dangerous journey to the U.S. southern border.

The International Monetary Fund (IMF) underscores that remittances can account for a significant portion of GDP in many low- and middle-income countries, funding small businesses and infrastructure where governments fall short. By supporting families and communities abroad, these transfers help stabilize fragile economies and reduce dependency on U.S. aid.

Countries like Haiti, Honduras, and El Salvador receive between 20%–30% of their GDP in remittances.⁶ Disrupting this flow is not only morally shortsighted but fiscally reckless. It will only further exacerbate irregular migration in the Western Hemisphere.

This tax proposal is not just bad policy—it is a betrayal of who we are as a nation of immigrants, builders, and bridge-makers. We strongly urge you to reject this provision and any attempt to penalize hardworking, law-abiding families who send modest portions of their income to support loved ones abroad.

Our laws should strengthen communities, not break them apart. This tax does the latter. Let us stand firmly for economic liberty and against this regressive, discriminatory policy.

Sincerely,



Adriano Espaillat
Chair
Congressional Hispanic Caucus

⁴ Maldonado, R., & Harris, J. (2024). *Remittances to Latin America and the Caribbean in 2024: Diminishing Rates of Growth*. <https://doi.org/10.18235/0013258>

⁵ Hussein, F., & Janetsky, M. (2025, May 15). *Funds from migrants sent back home help fuel some towns' economies. A GOP plan targets that*. AP News. <https://apnews.com/article/immigrant-remittances-tax-republican-trump-47ce7c2b4a0fcf47be96b0ef2ad0739d>

⁶ Orozco, M. (2023, September 9). *Family Remittances to Latin America and the Caribbean 2023*. <https://thedialogue.org/analysis/family-remittances-to-latin-america-and-the-caribbean-2023#:~:text=Ranging%20between%2020%20and%2030,has%20seen%20sustained%20remittance%20growth>.



Joaquin Castro
Member of Congress



Norma J. Torres
Member of Congress



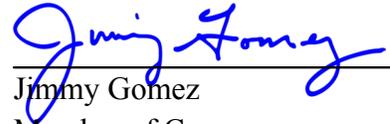
Sylvia R. Garcia
Member of Congress



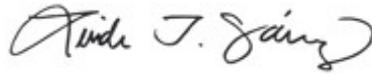
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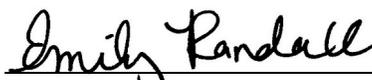
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Maxwell Alejandro Frost
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CC: The Honorable John Thune, Majority Leader, United States Senate, Room S-230, The Capitol,
Washington, D.C. 20510