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INDIANA•KENTUCKY•OHIO
REGIONAL COUNCIL of CARPENTERS

Tax Fraud

Robbing Hoosier Taxpayers & Local Businesses

Tax fraud is the process of falsely labeling employees as independent contractors – or paying them in cash or off the books. Dishonest employers are using this illegal practice to avoid paying state and local taxes, unemployment insurance and workers compensation.

Tax Fraud Steals Over \$405 Million a Year from Hoosiers

Cheating employers are stealing more than \$405 million EVERY YEAR from your family, your community, and your state, leading to funding shortfalls in infrastructure, public safety and education programs.

Tax Fraud Cheats Honest Hoosier Businesses

Cheating businesses illegally reduce their labor costs as much as 30% through tax fraud. They criminally underbid and undermine law-abiding businesses who cannot compete based on the real cost of doing honest business and are forced out of the market.

Stopping Tax Fraud Means More Jobs for Hoosiers

By Recovering Stolen Tax Dollars, Indiana Can Pay For:

4,843 State Troopers

OR **7,824** K-12 Teachers

OR **325** miles of resurfaced highway

OR **112** miles of expanded highway

[1] The Economic Costs of Misclassification in the State of Indiana, Kelsay, Michael P., Sturgeon, James I., 2010

Stopping Tax Theft Puts Money Back Into Communities

\$36.7M

Unemployment Insurance Payments Lost

\$24.1M

Workers' Compensation Premiums Not Paid

\$245M

Unpaid State Income Tax

\$100M

Unpaid Local Income Tax

\$405,800,000M

Total Loss to Indiana

[1] The Economic Costs of Misclassification in the State of Indiana, Kelsay, Michael P., Sturgeon, James I., 2010

Take Your Money BACK: A Tax Fraud Taskforce Will Protect Honest Businesses, Return Money to Hoosiers

- More than pays for itself through recovered funds and fines collected from cheating businesses
- Deters future payroll fraud by holding current offenders accountable
- Can be implemented without increasing the size of government
- Made up of representatives from Indiana Department of Labor, Indiana Department of Revenue and Indiana Department of Workforce Development

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