

May 13, 2025

The Honorable Jason Smith

Chairman

Committee on Ways and Means

The Honorable Richard Neal

Ranking Member

Committee on Ways and Means

United States House of Representatives
1139 Longworth House Office Building
Washington, DC 20515

Dear Representatives Smith and Neal:

We extend our warmest regards and respectfully refer to the bill announced on May 12, specifically Section 112105, which contemplates the imposition of a 5% levy on remittances sent by certain segments of the population residing in the United States.

Mexico understands the efforts of the U.S. Congress—and in particular, of your distinguished Committee under your leadership—to advance an economic agenda that benefits American families and workers, as well as the measures to increase fiscal revenue. It is precisely in this spirit of mutual respect that we wish to share some considerations with you, in the hope of enriching the legislative discussion, recognizing that revenue can be increased through means other than a tax or levy on remittances.

First, it is essential to keep in mind that applying this tax would disproportionately affect the most vulnerable workers, many of whom perform essential functions critical to the proper functioning of the U.S. economy. Sectors such as agriculture depend heavily on their labor and dedication: for instance, nearly 70% of the agricultural workforce was born outside the United States (Department of Labor 2021).

Second, it is important to highlight the significant contribution of the Mexican population residing in the United States to the country's public finances. Based on estimates derived from tax payments by immigrant households (American Immigration Council 2023) and immigrant population figures (U.S. Census Bureau), the fiscal contribution of this group exceeded \$121 billion in 2021.

Taxing remittances would amount to a form of double taxation, since migrants already pay taxes in the country where they work. Imposing a tax on these transfers would disproportionately affect those with the least, without accounting for their ability to pay.

Third, in 2024, Mexican migrant workers sent on average only 16.7% of their labor income as remittances to their families (CEMLA 2025). In other words, more than 80% of the income generated by this community remains in the U.S. economy, stimulating domestic consumption and contributing to the prosperity of the country. Moreover, such measures tend to be regressive, as many remittances are directed to low-income families who rely on them to meet basic needs.

Fourth, such a tax could also have significant negative side effects. As the cost of sending money rises, many migrants might seek informal or unregulated means to do so, complicating oversight and control of these financial flows. This would not only reduce the expected revenue but also increase risks related to financial security, tax evasion and money laundering.

Finally, taxing remittances would also impact other sectors that use these channels, such as small

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transfers for tourism, commerce or humanitarian assistance. Taken together, these measures could produce economic effects more harmful than their fiscal benefits.

For these reasons, we respectfully share our concern regarding the potential consequences of this provision, which would affect a population that already makes significant contributions to the public budget, as well as their families—many of whom belong to the most disadvantaged and vulnerable communities in Mexico.

Mexico and the United States share a deep and historic relationship. The workers referenced in this bill migrated out of necessity and now contribute substantially to the U.S. economy. We respectfully urge you to reconsider this section of the legislative proposal, and we remain available to continue dialogue on the matter.

We thank you in advance for your kind attention and reiterate the assurances of our highest and most distinguished consideration.

Sincerely,

Esteban Moctezuma Barragán
Ambassador of México
to the United States

Roberto Velasco Álvarez
Chief Officer
for North America

CC: The Honorable Vern Buchanan, Member, Committee on Ways and MeansThe Honorable Adrian Smith, Member, Committee on Ways and Means

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The Honorable David Schweikert, Member, Committee on Ways and Means
The Honorable Darin LaHood, Member, Committee on Ways and Means
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