

CONSTRUCTION INDUSTRY

# TAX FRAUD DESTROYS COMMUNITIES

**TAXES BUILD BRIDGES AND SCHOOLS.  
TAXES PAY FOR OUR PUBLIC SAFETY.  
TAXES PROTECT OUR COUNTRY.**



## DID YOU KNOW?

### A MINIMUM OF ONE IN FIVE CONTRACTORS COMMIT FEDERAL TAX FRAUD.

Why are so many construction contractors committing tax fraud? They do it to steal jobs from tax-paying business and their employees.

Corrupt contractors pay workers off the books, or, less often, as independent contractors when they clearly shouldn't. That allows them to evade state, local, and federal taxes, so they can illegally lower their labor costs to underbid law-abiding competitors.

### AND IT'S INTENTIONAL.

Frequently, corrupt contractors use law-breaking labor brokers to shield themselves from accountability.

### IT'S NOT SMALL.

Construction contractor tax fraud robs our state and federal governments out of a minimum of \$2.6 billion a year. No job site is immune. No state is immune. Here are the losses:

#### FEDERAL TAX LOSSES

- › California \$302 million
- › North Carolina \$333 million
- › Tennessee \$115 million
- › Texas \$1.06 billion

#### STATE TAX LOSSES

- › Illinois \$19.5 million
- › Indiana \$24.9 million
- › Maryland \$103 million
- › Massachusetts \$10.8 million
- › New Jersey \$26.3 million
- › North Carolina \$134 million
- › Pennsylvania \$200 million
- › Tennessee \$14 million

## WHEN CONTRACTORS CHEAT ON THEIR TAXES, WE PAY MORE.

### HOW YOU CAN HELP

- › Protect tax-paying contractors and their employees
- › Support fair competition
- › Support law enforcement
- › Talk to your colleagues about this problem

### STAY INFORMED

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