

Tax Fraud

ROBBING KENTUCKY TAXPAYERS AND 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 use this illegal practice to avoid paying state and local taxes, unemployment insurance and workers compensation.

Tax Fraud in Construction Steals Over \$18 Million a Year from Kentuckians

Cheating employers are stealing more than \$18 million EVERY YEAR from your family, your neighborhood, and your state, leading to funding shortfalls in infrastructure, public safety and education programs for law-abiding taxpayers.

Tax Fraud Steals Directly from Local Kentuckian Taxpayers

With 285 capital investment projects statewide in 2015, Kentucky's economy is booming — making it a lucrative target for the one in four construction employers who commit tax fraud. By failing to withhold or pay our local income tax, cheating employers are stealing revenue that directly funds Kentucky schools, roads, emergency responders and many local community programs.

Payroll Fraud Cheats Honest Kentucky Businesses Out of Work

Cheating businesses illegally reduce their labor costs as much as 30% through tax fraud. They 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.

By recovering stolen tax dollars, Kentucky can pay for:

348 Kentucky Teacher Salaries

OR **4,500** Small Business Grants

OR **485** Police Officers



Payroll fraud robs more wages from working Kentuckians than all robberies in Kentucky [1]

TAX FRAUD IS GREATER THAN ROBBERY



MORE TAX FRAUD THAN ROBBERY VICTIMS



[1] Wage Theft in Kentucky is More than Double All Types of Robbery Combined. Commonwealth of Kentucky Labor Cabinet, 2014.

TAKE OUR MONEY BACK: Protect Honest Businesses and Return Money to Taxpayers by Enforcing Our Laws

Contractor Licensing

- More work for local contractors creating local jobs
- Business-friendly standards that law-abiding contractors already meet
- Reduces enforcement by eliminating public project bids from non-compliant contractors

Responsible Bidding Ordinance

- More bids from qualified local contractors
- Fraud prevented through weekly certified payroll
- More local, middle class jobs for qualified, trained professionals

Wage Theft Ordinance

- Developers earn and keep tax advantages while reducing enforcement by hiring law-abiding subcontractors
- Maximizes local economic benefit of providing tax incentives to developers

Want to learn more? Email us at info@ikorcc.com