



**IKORCC**  
INDIANA•KENTUCKY•OHIO  
REGIONAL COUNCIL of CARPENTERS

# Tax Fraud

## Robbing Ohio Taxpayers & Local Businesses

Tax fraud occurs when employers falsely label employees as independent contractors or pay them cash off the books. Dishonest employers use this illegal practice to avoid paying state and local taxes, Unemployment Insurance and Workers' Compensation.

### Tax Fraud Steals Over \$258 Million a Year from Ohioans

Cheating employers are stealing more than \$258 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 Ohio Businesses

By not paying their fair share, cheating businesses pad their profits with unpaid tax dollars, requiring law-abiding businesses to pay more.

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 Ohioans

By Recovering Stolen Tax Dollars, Ohio Can Pay For:

**15,824** K-12 Teachers [1]

OR **49%** increase in school construction

OR **80%** increase in higher education construction [2]

OR **215** miles of highway expansion [3]

OR **686** miles of highway resurfacing [3]

[1] <http://education.ohio.gov/Topics/Finance-and-Funding/School-Payment-Reports/District-Profile-Reports/FY2015-District-Profile-Report> [2] <http://www.lsc.ohio.gov/fiscal/capitalbudget131/en/capitalappropriationsbyfund.pdf> <http://www.lsc.ohio.gov/fiscal/capitalbudget131/en/capitalappropriationsbyfund.pdf> [3] <http://www.artba.org/about/faq/>

### Stopping Tax Theft Puts Money Back Into State Coffers

**\$100M**

Unemployment Insurance Payments Lost

**\$500M**

Workers' Compensation Premiums Not Paid

**\$258M**

Unpaid State Income Tax

**\$36M**

Unpaid Local Income Tax (in Ohio's six largest cities)

**\$64M**

Unpaid Local Income Tax (in other income-taxing cities)

**\$7.8M**

Unpaid School Taxes

**\$965,800,000M**

Total Loss to Ohio

### Take Your Money BACK: Protect Honest Businesses and Return Money to Ohioans by Passing a Tax Fraud Enforcement Bill That Will:

- More than pay for itself through recovered funds and fines collected from cheating businesses
- Hold offenders accountable while holding honest contractors on the same job site harmless
- Get affected agencies working together to recover funds without growing the government

[info@ikorcc.com](mailto:info@ikorcc.com)