

Response: Taxing Nannies

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ABSTRACT: In Taxing Nannies, the authors Kleiman, Sarkar, and Satterwhite initiate an important conversation about the nanny tax by analyzing the preferences and perspectives of nannies themselves. Given current economic and immigration challenges, Taxing Nannies is a timely article. While the authors suggest that they are starting the conversation, this article accomplishes more than that. The authors combine survey data with a Reddit analysis and expert interviews to glean nannies' preferences through multiple perspectives while offering in-depth analysis and practical solutions. This Response discusses the authors' key findings, proposals, and broader implications for undocumented workers.

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INTRODUCTION

The “nanny tax” refers to a family’s obligation when hiring a nanny. The family is treated as a household employer, and the nanny is treated as a household employee. As a result of the employer-employee relationship, the nanny and household hirer must comply with federal and state obligations by withholding taxes from the nannies’ pay.

Previous articles have discussed the employer's legal and tax obligations, and the challenges associated with complying with the nanny tax.¹ *Taxing Nannies* is novel in that the authors Ariel Jurow Kleiman, Shayak Sarkar, and Emily Satterthwaite analyze the preferences and perspectives of nannies themselves.² The authors not only start a conversation from the viewpoint of nannies, but they also offer in-depth analysis and practical solutions.³ The authors used survey data, a Reddit analysis, and expert interviews to better understand nannies' preferences and the factors that influence those preferences.⁴

This piece responds to *Taxing Nannies* and will be divided into four sections. Part I summarizes the differences between formal and informal employment and discusses the corresponding tax consequences of being classified as an employee or independent contractor. Part II examines the methods used to collect responses from nannies and presents the findings. Part III discusses the solutions proposed by the authors. Part IV discusses the authors findings and the broader implications in light of current changes in immigration, economic costs, and natural disasters.

I. SUMMARY OF THE ARTICLE

Taxing Nannies discusses the formal-informal employment dichotomy and its role in tax and legal obligations. The authors define formal employment arrangements as work that is reported, taxed, and subject to labor protections.⁵ The authors define informal employment arrangements as unreported, "off the books," or "under the table" work.⁶

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1. See INTERNAL REVENUE SERV., PUBLICATION 926: HOUSEHOLD EMPLOYER'S TAX GUIDE 4-7 (2025), <https://www.irs.gov/pub/irs-pdf/p926.pdf> [<https://perma.cc/A9GF-QMMT>]; Carolyn Livingston, *Household Employers Shouldn't Give a 1099 to a Nanny or Caregiver*, CARE.COM (Dec. 5, 2024), <https://www.care.com/hp/1099-vs-employee-why-the-difference-matters-when-you-hire-a-caregiver> [<https://perma.cc/ZR6Q-MV7E>].

2. See generally Ariel Jurow Kleiman, Shayak Sarkar & Emily Satterthwaite, *Taxing Nannies*, 110 IOWA L. REV. 111 (2024).

3. See *infra* Parts III, IV (discussing the authors proposed solutions and broader implications).

4. See *infra* Part II (discussing the authors methods for collecting responses from nannies and the corresponding findings).

5. Kleiman et al., *supra* note 2, at 114-15; see Yana van der Meulen Rodgers & Elaine Zundl, *Domestic Worker Inequities and Rights: A Mixed-Methods Analysis* 4-7 (Rutgers Sch. Mgmt. & Lab. Rels., Working Paper No. 2018-1, 2018); Janie A. Chuang, *The U.S. Au Pair Program: Labor Exploitation and the Myth of Cultural Exchange*, 36 HARV. J.L. & GENDER 269, 275-76 (2013).

6. Kleiman et al., *supra* note 2, at 114-15.

A nanny is treated as an employee under a formal arrangement.⁷ Under a formal arrangement, a household employer must withhold taxes and report income to federal and state agencies.⁸ Additionally, they must pay unemployment insurance and are entitled to sick time and health insurance.⁹ The nanny must pay federal and state taxes on their earnings.¹⁰ Despite these employer requirements, the compliance rate with the nanny tax is five percent.¹¹ The authors suggest that low compliance likely results from the complexity and burden of compliance or lack of education.¹²

However, a nanny is treated as an independent contractor under an informal arrangement, meaning the nanny is responsible for self-employment taxes and does not qualify for sick time, health insurance, or unemployment benefits.¹³ Determining the proper classification of a nanny has financial implications, likely not just for an individual but for an entire household.¹⁴ It is evident that being treated as an employee generally offers more favorable benefits than being treated as an independent contractor. However, despite the favorability, the preference for informality persists.

The authors seek to determine why some nannies prefer informal arrangements and what factors impact the preference between formal and informal employment.¹⁵ The authors found that nannies' preferences were not only shaped by tax and unemployment benefits, but were also influenced by factors such as immigration status, fear of Internal Revenue Service ("IRS") audits, loss of public benefits, financial insecurity, or lack of negotiating power, which led to informality.¹⁶

7. *Id.* at 125–26.

8. The employer must withhold taxes to pay the nanny's share of Social Security and Medicare, their own portion of the nanny's Social Security and Medicare, and unemployment insurance.

9. See Arthur Auerbach, *The Difference Between Employees and Independent Contractors*, TAX ADVISER (Oct. 1, 2021), <https://www.thetaxadviser.com/issues/2021/oct/difference-between-employees-independent-contractors> [<https://perma.cc/GY9V-4Y6X>]; Diane M. Juffras, *Independent Contractor or Employee? The Legal Distinction and Its Consequences*, UNIV. N.C. PUB. EMP. L. BULL., May 2005, at 1, 18.

10. Kleiman et al., *supra* note 2, at 124–25, 138–39.

11. *Id.* at 124. A household employer must file a Schedule H with their federal tax return and submit any requisite state employment forms. See 2024 *Instructions for Schedule H (2024)*, INTERNAL REVENUE SERV. (Dec. 5, 2024), <https://www.irs.gov/instructions/i1040sh> [<https://perma.cc/SKV7-6XNL>].

12. Kleiman et al., *supra* note 2, at 124–25, 147.

13. *Id.* at 129.

14. See *id.* Paying self-employment taxes, which includes the employee portions of Social Security and Medicare taxes, are included if nannies are not treated as employees. See *Topic No. 756, Employment Taxes for Household Employees*, INTERNAL REVENUE SERV. (Jan. 3, 2025), <https://www.irs.gov/taxtopics/tc756> [<https://perma.cc/P8G4-G7ZY>].

15. Kleiman et al., *supra* note 2, at 153–55.

16. *Id.* at 154–55.

Below, I will examine the authors' methods of collecting responses from nannies and discuss their findings.

II. RESEARCH METHODOLOGY AND FINDINGS

The authors' data set included a nanny survey, a Reddit analysis, and expert interviews.¹⁷ The authors' research focus is novel in that it focuses on the preferences of nannies as opposed to prior articles that focus on employers.

The survey was posted online and in parks and community centers in Los Angeles, California, via a QR code.¹⁸ However, the majority of the fifty-seven responses came from participants at Nannypalooza, a national nanny convention held in Washington, D.C.¹⁹ The survey participants were primarily white, documented women who preferred formal employment.²⁰ Their reasons for preferring formal employment included the fear of being audited by the IRS, access to Social Security, Medicare, and unemployment benefits, and a general desire to comply with the law.²¹ The authors emphasized that the results did not include undocumented nannies and warned against generalizing the findings.²² The authors analyzed Reddit posts that included the term "tax" to better understand how nannies discuss employment arrangements and tax obligations.²³ The Reddit data offered a range of perspectives. Similar to the survey, most of the 154 posts showed a preference to be classified as employees.²⁴ Some nannies wanted to follow the law but were unsure how to do so.²⁵ Other nannies preferred informal arrangements to avoid paperwork, protect their immigration status, or maintain a higher take-home pay by being paid off the books or under the table.²⁶ Many of the posts revealed confusion, fear, or frustration.²⁷ Additionally, the authors observed that the Reddit posts reflected various payment arrangements, including W-2 employment, cash-based payments, or under-the-table work, and mixed formal and informal payment methods.²⁸ The Reddit findings offered a different perspective than the surveys, illustrating the tension between nannies and employers.²⁹ Specifically, nannies prefer formality.

17. *Id.* at 133.

18. *Id.* at 134-35.

19. *Id.*

20. *Id.*

21. *Id.* at 137-39.

22. *Id.* at 137.

23. *Id.* at 141.

24. *Id.* at 142-43.

25. *Id.* at 146-47, 146 n.178.

26. *Id.* at 147-48.

27. *Id.* at 148-50.

28. *Id.*

29. *Id.* at 139-40.

However, employers resist it.³⁰ Employers typically refuse to hire nannies who want formal employment because it would require them to adhere to payroll taxes and complete additional paperwork to comply with the rules.³¹ Many nannies acquiesced to informal arrangements.³² This illustrates a difference in power, as nannies are likely afraid to push for formality due to the risk of losing their jobs and livelihoods.³³ The survey results and the data from Reddit posts could be viewed as self-selecting.³⁴ The results from these datasets included responses from a more professionalized group of nannies.³⁵ However, as the authors noted, these sources likely did not include responses from undocumented or non-English-speaking nannies.³⁶

The authors interviewed five experts, including immigration lawyers, worker center staff and labor organizers, social service providers, and tax and legal aid professionals who work closely with undocumented workers.³⁷ While the Reddit analysis filled gaps in the survey by highlighting the conflict between nannies and their employers and offering candid responses, the expert interviews filled gaps left by the survey and Reddit analysis to give credence to undocumented workers and lower-income workers. The findings show that undocumented nannies fear the consequences associated with formal employment, which include immigration enforcement, being ineligible for public programs, and risking losing income if their earnings are formally reported.³⁸ The article's findings describe the importance of correctly classifying nannies and employees as opposed to independent contractors.³⁹ It also offers factors influencing formal and informal employment that were gleaned from the data sources used.⁴⁰ These findings led the authors to practical policy proposals and are aimed at improving access, equity, compliance, fairness, and administrative simplicity, which will be discussed below.⁴¹

30. *Id.* at 145, 147–48.

31. *Id.* at 144–45, 157.

32. *Id.* at 151, 154–55.

33. *Id.* at 151, 155–56.

34. *Id.* at 137, 140.

35. *Id.* at 139–40.

36. *Id.* at 134, 137.

37. *Id.* at 141, 151–52, 158.

38. *Id.* at 152, 154–56, 158; see Claire Wang, ‘What Is the Long-Term Plan?’: LA Housekeepers, Construction Workers and Gardeners See Jobs Go Up in Flames, *GUARDIAN* (Jan. 19, 2025), <https://www.theguardian.com/us-news/2025/jan/19/la-fires-housekeeper-nanny-domestic-jobs> [https://perma.cc/9YH7-V9JV] (providing examples of domestic workers who are undocumented not being eligible for aid during the wildfires in California).

39. Kleiman et al., *supra* note 2, at 125–30.

40. *Id.* at 130, 139–40, 147–50.

41. *Id.* at 158–65.

III. SOLUTIONS

The authors proposed three reform areas: reforming public benefit programs, immigration reform, and streamlining the reporting process.⁴² The authors note that enforcing the nanny tax is important.⁴³ However, structural reform must come first.⁴⁴ The authors suggest that increased enforcement without structural changes could harm vulnerable individuals such as undocumented and lower-income nannies, discourage trust, and discourage formality.⁴⁵

A. BENEFIT CLIFFS

The authors mention that some nannies desire formal employment but are afraid because they could lose access to means-tested public benefits that are based on income.⁴⁶ The authors list Temporary Assistance for Needy Families (“TANF”), which is a federal program that provides support to families whose income is below a certain threshold. Section 8 housing, which is housing vouchers for low-income individuals, is an example of means-tested benefits that nannies could be afraid of losing.⁴⁷ If the nanny’s income exceeds a certain amount, they will lose access to the benefits. This is known as a benefits cliff.⁴⁸

To illustrate the drastic outcome of benefit cliffs, assume a four-person household in California wanted to qualify for TANF benefits. Under the CalWORKs program, there is a gross income limit when determining eligibility.⁴⁹ To determine the gross income, a \$450 deduction is subtracted.⁵⁰ Then, the income is compared to the Minimum Basic Standard of Adequate Care level for the family size. Therefore, the household gross income would need to be \$2,513 or less to be eligible and within the limit of \$2,063.⁵¹ This

42. *Id.* at 160–63.

43. *Id.* at 115, 147.

44. *Id.* at 119–20.

45. *Id.* at 120, 160.

46. *Id.* at 155.

47. *Id.* at 163–66. Each state determines the eligibility income levels. *See* Julia Shu-Huah Wang, *TANF Coverage, State TANF Requirement Stringencies, and Child Well-Being*, 53 CHILD. & YOUTH SERVS. REV. 121, 126–28 (2015); Erik Hembre, *Examining SNAP and TANF Caseload Trends, Responsiveness, and Policies During the COVID-19 Pandemic*, 41 CONTEMP. ECON. POL’Y 262, 269–70 (2023).

48. Kleiman et al., *supra* note 2, at 119, 155, 163–64; *see* Elias Ilin & Alvaro Sanchez, *Mitigating Benefits Cliffs for Low-Income Families: District of Columbia Career Mobility Action Plan as a Case Study* 5 (Fed. Rsrv. Bank of Atlanta, Discussion Paper No. 01-23, 2023).

49. *CalWORKs Program Fact Sheet*, SACRAMENTO CNTY. DEP’T OF HUM. ASSISTANCE 2 (Jan. 2025), <https://ha.saccounty.gov/benefits/CalWORKs/Documents/CalWORKs%20Fact%20Sheet%20January%202025.pdf> [<https://perma.cc/DJ7P-NJ56>].

50. *Id.*

51. *Id.* at 3.

means if a four-person household's gross income is even \$1 above the \$2,063, they lose the benefits or are ineligible.⁵²

The authors proposed reforming benefit cliffs into a system that allows phase-outs.⁵³ Therefore, in the example above, instead of a household of four losing TANF benefits for being \$1 over the \$2,063 threshold, they would receive less instead of being cut off from the benefit altogether. They would phase out at a specified amount. The current state of benefit cliffs can result in instability as these strict eligibility requirements and thresholds can negatively impact households.⁵⁴ Benefits should not be designed to penalize improving quality of life or punish economic improvements.⁵⁵ Higher earnings do not immediately imply a higher quality or standard of living due to the rising cost of food, housing, and child care.⁵⁶

While nannies who accept formal employment may risk losing public benefits, nannies who accept informal, off-the-books, or under-the-table employment may lose access to certain tax credits. For example, to claim the Earned Income Tax Credit, a tax credit that provides a tax break for low-to-moderate-income workers and families, individuals must have income that is from a W-2 or self-employment income, thus making individuals ineligible for the tax credits if they are working under the table.⁵⁷

52. *Earned Income Tax Credit (EITC)*, INTERNAL REVENUE SERV. (Apr. 23, 2025), <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit-eitc> [<https://perma.cc/MET3-ZS7A>]; see Jonathan P. Schneller, Adam S. Chilton & Joshua L. Boehm, *The Earned Income Tax Credit, Low-Income Workers, and the Legal Aid Community*, 3 COLUM. J. TAX L. 176, 179–94 (2012) (discussing the challenges for low-income claimants navigating through the Earned Income Tax Credit process).

53. Kleiman et al., *supra* note 2, at 119, 163–64; see ANGELA RACHIDI & ERIK RANDOLPH, ELIMINATING THE BENEFIT CLIFF AND ACHIEVING SAVINGS FOR TAXPAYERS: A REFORM PROPOSAL FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM 1 (2025), <https://www.aei.org/wp-content/uploads/2025/01/Eliminating-the-Benefit-Cliff-and-Achieving-Savings-for-Taxpayers.pdf?x85095> [<https://perma.cc/W4AN-97NR>] (articulating potential reforms to Supplemental Nutrition Assistance Program).

54. See FED’N OF PROTESTANT WELFARE AGENCIES, PUSHED TO THE PRECIPICE: HOW BENEFITS CLIFFS AND FINANCIAL GAPS UNDERMINE THE SAFETY NET FOR NEW YORKERS 38–50 (2021), https://www.fpwa.org/wp-content/uploads/2023/05/2104019_FPWA-benefitcliffs-rev2_FINAL_4.19.2021.pdf [<https://perma.cc/W4G8-X8A4>] (discussing the impact of safety net shortcomings on individuals and families).

55. See generally Illin & Sanchez, *supra* note 48 (discussing how benefit cliffs give low-income families a disincentive to accept higher paying jobs and instead incentivizes remaining in poverty).

56. See Megan Cerullo, *Most Americans Don’t Earn Enough to Afford Basic Costs of Living, Analysis Finds*, CBS NEWS (May 16, 2025, 10:32 AM), <https://www.cbsnews.com/news/cost-of-living-income-quality-of-life> [<https://perma.cc/4S7A-NTG9>].

57. See *id.*

B. IMMIGRATION

The authors warn that increased enforcement may discourage formality and deepen distrust—particularly among undocumented workers.⁵⁸ Shayak Sarkar, co-author in *Taxing Nannies*, explored this idea in his article *Internal Revenue's External Borders*, which examines the nexus between the IRS and immigration enforcement.⁵⁹ Using two case studies, Sarkar shows how the IRS's involvement with immigration raids, through the coordination with United States Immigration and Customs Enforcement, can reduce taxpayer trust and compliance.⁶⁰

As of May 14, 2025, the IRS will be allowed to share data with ICE.⁶¹ Immigration enforcement is intertwined with nanny work and extends to the many essential services that undocumented individuals provide. Allowing the IRS to share data with ICE will have a chilling effect and a negative impact on trust, tax compliance, and tax revenue—which are concerns that *Taxing Nannies* highlights.

C. STREAMLINING THE PROCESS

The authors mention that many employers would like to comply with the nanny tax requirements and formalize their arrangements but do not understand how to do so due to complexity.⁶² They also mention that prior to

58. Kleiman et al., *supra* note 2, at 119, 160–61.

59. See generally Shayak Sarkar, *Internal Revenue's External Borders*, 112 CAL. L. REV. 1645 (2024).

60. See *id.* at 1656–61, 1664–67; Zach Schonfeld, *Judge Gives IRS Green Light to Share Migrant's Taxpayer Information with ICE*, HILL (May 13, 2025, 12:06 PM), <https://thehill.com/regulation/court-battles/5297430-judge-gives-irs-green-light-to-share-migrants-taxpayer-information-with-ice> [<https://perma.cc/FP47-RH4R>]; Alicia A. Caldwell & Jason Leopold, *IRS Can Only Give Tax Data to ICE in Deportation, Criminal Cases*, BLOOMBERG (May 14, 2025, 10:43 AM), <https://www.bloomberg.com/news/articles/2025-05-14/irs-can-only-give-tax-data-to-ice-in-deportation-criminal-cases> (on file with the *Iowa Law Review*); *Judge Refuses to Block IRS from Sharing Tax Data to Identify People Illegally in U.S.*, NPR (May 13, 2025, 1:18 AM), <https://www.npr.org/2025/05/13/nx-s1-5396461/courts-irs-tax-undocumented-immigrants> [<https://perma.cc/XZ4T-PLY5>]; Aravind Boddupalli, *The New ICE-IRS Data Sharing Agreement Has Three Problems*, TAX POL'Y CTR. (Apr. 21, 2025), <https://taxpolicycenter.org/taxvox/new-ice-irs-data-sharing-agreement-has-three-problems> [<https://perma.cc/84N3-EJWC>] (suggesting that this could reduce tax revenues, “undermine . . . governance and data practices,” and negatively impact children and families).

61. See Marshall Cohen, *Federal Judge Won't Block Trump's Plan to Use IRS Data to Track Down Undocumented Migrants*, CNN (May 12, 2025, 6:14 PM), <https://www.cnn.com/2025/05/12/politics/judge-wont-block-irs-data-sharing-track-undocumented-migrants> [<https://perma.cc/64T6-YC62>]; Bianca Gonzalez, *How the IRS and ICE Data-Sharing Memo Will Impact Immigrant Communities*, PRISM (May 14, 2025), <https://prismreports.org/2025/05/14/irs-ice-undocumented-immigrants-taxes> [<https://perma.cc/AXW5-DSE8>].

62. Kleiman et al., *supra* note 2, at 115–18.

increasing enforcement efforts, the process should be streamlined for both employers and employees to increase compliance.⁶³

While simplifying or streamlining the process is necessary, *Taxing Nannies* highlights the importance of ways to incentivize compliance beyond simplicity, such as tax credits for household employers or a tax credit for nannies who have formal work arrangements and earn above a certain amount. Tax credits, because they reduce tax liability dollar for dollar, could act as an incentive, and the tax credit could be refundable, meaning that even if the nanny or household employer does not have taxable income, they can still benefit from the tax credit.⁶⁴ Below, I will discuss the broader implications of the authors' research and findings.

IV. BROADER IMPLICATIONS

As mentioned by the authors, *Taxing Nannies* offers insight that is relevant to other domestic workers in other industries, such as housekeepers, caregivers, and gardeners, due to the likelihood of them facing similar issues of employment classification, formality and informality concerns, and access—or lack thereof—to being protected under tax and labor laws.⁶⁵ The below Sections will discuss how COVID-19 and natural disasters have negatively impacted undocumented workers and how specific states have attempted to pass legislation to protect undocumented workers.

A. COVID-19 AND NATURAL DISASTERS

I think *Taxing Nannies* has broader implications for undocumented workers during disasters and further speaks to the importance of formality and the need for reform for things that push workers towards informality.⁶⁶ During the COVID-19 pandemic, 150,000 undocumented adults received a one-time payment of \$500 in California.⁶⁷ While the one-time payment may

63. *Id.* at 118–19.

64. Lily L. Batchelder, Fred T. Goldberg, Jr. & Peter R. Orszag, *Efficiency and Tax Incentives: The Case for Refundable Tax Credits*, 59 STAN. L. REV. 23, 27–32 (2006).

65. Kleiman et al., *supra* note 2, at 118.

66. See Sharon Terman, *Protecting Workers' Jobs and Income During COVID-19*, in ASSESSING LEGAL RESPONSES TO COVID-19 205, 208 (2020). See generally NICOLE PRCHAL SVAJLENKA, *PROTECTING UNDOCUMENTED WORKERS ON THE PANDEMIC'S FRONT LINES* (2020) (discussing the important role undocumented immigrants played during the COVID-19 pandemic).

67. SB 227: *Unemployment: Excluded Workers Program*, CALMATTERS, https://calmatters.digitaldemocracy.org/bills/ca_20232024osb227 [<https://perma.cc/GXC4-EJFF>] (discussing that the bill to allow non-U.S. citizens to receive cash assistance that mirrors unemployment benefits was vetoed by Governor Gavin Newsom); *Fact Check: California Bill on Unemployment Benefits for Undocumented Immigrants Was Vetoed*, REUTERS (Jan. 8, 2025, 12:18 PM), <https://www.reuters.com/fact-check/california-bill-unemployment-benefits-undocumented-immigrants-was-vetoed-2025-01-08> (on file with the *Iowa Law Review*); José Martínez, *California Safety Net Bill Would Give Undocumented Workers a Share of Unemployment Benefits*, CBS NEWS (Apr. 12, 2023, 6:23 PM), <https://www.cbsnews.com/sanfrancisco/news/california-safety-net-senate-bill-sb227-undocumented-workers-unemployment-benefits> [<https://perma.cc/RRN9-RG22>]

have likely helped with some financial expenses, it did not address the constant vulnerabilities undocumented workers face.⁶⁸

Further, due to the 2025 fires in Los Angeles County, undocumented workers who were employed in the affected areas were also negatively impacted.⁶⁹ If they were not formal employees, they were ineligible for unemployment or paid time off due to their undocumented status.⁷⁰ These examples offer two scenarios in which undocumented workers lost jobs with little to no recourse if they were not formal employees, because access to benefits hinges on being classified as an employee.

B. STATES OFFERING PROTECTION TO UNDOCUMENTED WORKERS

As mentioned by the authors, the Domestic Workers Bill of Rights offers overtime pay, breaks, and protection against discrimination to domestic workers.⁷¹ In California, these protections are available to undocumented workers. California proposed a bill to create a program similar to unemployment for undocumented workers.⁷² However, the bill was ultimately vetoed.⁷³ While this bill was vetoed, it signals the importance and need for protection for undocumented workers.

Ultimately, the authors used participatory or community-engaged research, which many scholars have noted is vital to reaching solutions directly

(describing undocumented workers in California that are excluded from unemployment); Ana B. Ibarra, *California's Undocumented Workers To Get \$125 Million Coronavirus Disaster Relief*, CALMATTERS (Apr. 16, 2020), <https://calmatters.org/health/coronavirus/2020/04/california-undocumented-workers-coronavirus-disaster-relief> [<https://perma.cc/83E2-Z9GP>].

68. SB 227: *Unemployment: Excluded Workers Program*, *supra* note 67 (discussing that the bill to allow non-U.S. citizens to receive cash assistance that mirrors unemployment benefits was vetoed by Governor Gavin Newsom); *Fact Check: California Bill on Unemployment Benefits for Undocumented Immigrants Was Vetoed*, *supra* note 67; Martínez, *supra* note 67.

69. See Alejandra Reyes-Velarde & Jeanne Kuang, *'It all ended in a second': Thousands of Low-Income and Immigrant Workers Lost Jobs in LA Fires*, CALMATTERS (Jan. 17, 2025), <https://calmatters.org/environment/wildfires/2025/01/la-fires-workers-lost-jobs> [<https://perma.cc/7EXL-GNSA>] (describing the story of Guadarrama and her two daughters losing their house-keeping jobs as a result of the fires in Los Angeles).

70. See Brandon Saucedo Pita, *Los Angeles Fires: The Impacts on Undocumented Workers Based on a Review of Recent Reports*, CAL. IMMIGRANT DATA PORTAL (Mar. 7, 2025), <https://immigrantdata.org/la-fires-impact-on-undocumented-workers> [<https://perma.cc/AKQ2-3CCJ>] (discussing the impact of the fires on undocumented workers).

71. *The Domestic Worker Bill of Rights (AB 241)*, STATE OF CAL. DEP'T. INDUS. RELS. (July 2014), <https://www.dir.ca.gov/dlse/DomesticWorkerBillOfRights.html> [<https://perma.cc/NgH5-ZN2C>]; see Kleiman et al., *supra* note 1, at 133–34.

72. See Tom Wait, *California Bill Aims to Grant Undocumented Workers Access to Unemployment Benefits*, CBS NEWS (Sept. 17, 2024, 9:52 PM), <https://www.cbsnews.com/losangeles/news/california-bill-aims-to-grant-undocumented-workers-access-to-unemployment-benefits> [<https://perma.cc/7PLT-NABD>].

73. See Jeanne Kuang, *Newsom Denies Jobless Aid to Undocumented Californians, After Vetoing Two Other Bills to Help Them*, CALMATTERS (Sept. 28, 2024), <https://calmatters.org/california-divide/2024/09/undocumented-immigrants-california-unemployment-aid> [<https://perma.cc/H3WS-XUBT>].

impacting those in need.⁷⁴ Reform must recognize domestic workers as human beings who deserve respect, protection, and fairness, irrespective of their immigration status. Reform must align with community members through proposals that encourage compliance, reduce compliance costs, and use the tax code for what is needed in the world—employee protection for undocumented workers, child care subsidies, and simplicity for employers and employees to comply with the nanny tax.

CONCLUSION

I recommend *Taxing Nannies* to anyone. Professors Kleiman, Sarkar, and Satterwhite started the conversation but anticipated future challenges in these areas.⁷⁵ The article is well-written. It employs a bottom-up approach by asking nannies about their preferences and the factors influencing them. It uses data to recommend practical, relevant, and direct solutions with both nannies and employers in mind.

74. See generally Deanna S. Newton, *Closing the Opportunity Gap*, 102 N.C. L. REV. 1159 (2024) (discussing reforming Opportunity Zones in a way that directly benefits community members through a participatory approach); Deanna S. Newton, *Inclusive Prosperity*, 12 TEX. A&M L. REV. 1185 (2025) (suggesting a framework for reform that requires investment that benefits community members so that when the community grows, they grow with it); Michelle D. Layser, *Financing Affordable Housing Through Opportunity Funds*, 23 PITT. TAX REV. (forthcoming 2025) (suggesting that reform requires targeted efforts).

75. See John Kelly, Grace Manthey & Taylor Johnston, *CBS News Price Tracker Shows How Much Food, Gas, Utility and Housing Costs Are Rising*, CBS NEWS (Aug. 12, 2025, 10:01 AM), <https://www.cbsnews.com/news/price-tracker> [<https://perma.cc/HRP8-QQP8>] (showing data of rising costs and from 2016 until 2025); *US Consumers Eye Higher Costs for Food and Rent Over the Near Term*, PYMNTS (Apr. 14, 2025), <https://www.pymnts.com/economy/2025/united-states-consumers-eye-higher-costs-food-rent-over-one-year> [<https://perma.cc/47QE-FDDV>]; Suzanne Gamboa, *IRS to Share Info with ICE About Some Undocumented Immigrant Taxpayers*, NBC NEWS (Apr. 8, 2025, 2:46 PM), <https://www.nbcnews.com/news/latino/irs-share-taxpayer-info-ice-immigrants-rcna200250> [<https://perma.cc/R7Z4-FTEL>] (discussing that the IRS will share tax information filed by undocumented taxpayers with immigration and customs enforcement).