

UNREPORTED INCOME BECOMES A PROBLEM WITH ODD JOBS



Now that tax season is well underway, there has been information come to light that because of people in the U.S. working many odd jobs and self employment professions, billions of dollars are going unreported, costing the government this tax revenue. This has especially become a problem in Ohio where hiring is weak and the job market continues to suffer. As this hiring issue goes on, Ohio residents begin looking for odd jobs like shoveling snow, cleaning homes of their friends and neighbors, helping with yard work, fixing electronics, painting houses, removing garbage and even providing acts at children's birthday parties like being a clown or a princess. While these jobs help residents earn some income on the side when they are in between jobs, this income is often paid in cash and goes unreported. This is illegal and costs the government valuable tax revenue. **The Increase in Odd Jobs** For many people, getting a steady paycheck hasn't been a reality for a long time. Steve Gorman, 54, said he hasn't a regular job since 2008, surviving only by doing occasional odd jobs. He says they are mostly labor-related jobs nobody else wants to do, like mowing lawns, fixing bicycles, cleaning garages and barns, repairing roofs, and cutting down trees. It helps him earn some money when he can't get steady work and prevents homeowners from having to pay service providers when they can't afford it. Of course one of the difficulties is low and inconsistent pay, not to mention being paid illegally and with cash. This makes it the individual's responsibility to report this miscellaneous income, which is often skipped entirely. **The Life of Working Odd Jobs** While odd jobs is costing the government billions in revenue, individuals working these are barely scraping by. For Gorman, he says he earns less than \$7,000 a year in most years, living with others and getting food assistance, even though he works about 30 hours a week. The thought of never knowing what kind of work is going to be available is another issue for Gorman and others like him. Another issue with odd jobs is not getting paid or having a job end before completion. Gorman has had issues with invoices not being paid, or being fired from extensive labor work where the person hiring him refuses payment. Many people working odd jobs keep their receipts and can still file taxes through the miscellaneous income section of tax returns, but there are still issues with missing income. There has been evidence of the government not seeing all of a person's income reported, often going unseen because of being paid in cash with no paper trail. According to recent estimates, there were over a trillion dollars in earnings not reported to the IRS in 2012 alone.