

## S 45

### Small Business Tax Fairness and Compliance Simplification Act

**Congress:** 118 (2023–2025, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Jan 24, 2023

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Jan 24, 2023)

**Official Text:** <https://www.congress.gov/bill/118th-congress/senate-bill/45>

### Sponsor

**Name:** Sen. Cardin, Benjamin L. [D-MD]

**Party:** Democratic • **State:** MD • **Chamber:** Senate

### Cosponsors (6 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Scott, Tim [R-SC]	R · SC		Jan 24, 2023
Sen. Ossoff, Jon [D-GA]	D · GA		Feb 28, 2023
Sen. Stabenow, Debbie [D-MI]	D · MI		Jun 1, 2023
Sen. Brown, Sherrod [D-OH]	D · OH		Sep 26, 2023
Sen. Cassidy, Bill [R-LA]	R · LA		Oct 24, 2023
Sen. Blackburn, Marsha [R-TN]	R · TN		Dec 12, 2023

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 24, 2023

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

Bill	Relationship	Last Action
118 HR 45	Related bill	<b>Jan 9, 2023:</b> Referred to the House Committee on Ways and Means.

## **Small Business Tax Fairness and Compliance Simplification Act**

This bill expands the tax credit for a portion of the employer-paid Social Security taxes for employee cash tips to include beauty service establishments. (Under current law, the credit is limited to tips received for providing, serving, or delivering food or beverages.)

The credit applies to tips received in connection with providing beauty services to a customer or client if tipping employees who provide the service is customary. *Beauty services* include barbering and hair care, nail care, esthetics, and body and spa treatments.

The bill also (1) establishes an employer tip reporting safe harbor for beauty service establishments, and (2) specifies reporting requirements for income received from renting space to individuals who provide beauty services.

The employer tip reporting safe harbor for beauty service establishments provides an exemption from certain Internal Revenue Service tip examinations for employers who meet certain requirements for educational programs, reporting procedures, compliance with tax law, and recordkeeping.

The Government Accountability Office must study and report on the impact of the extension of the employer social security tax credit on employers and employees.

## **Actions Timeline**

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- **Jan 24, 2023:** Introduced in Senate
- **Jan 24, 2023:** Read twice and referred to the Committee on Finance.

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