

S 129

No Tax on Tips Act

Congress: 119 (2025–2027, Current)

Chamber: Senate

Policy Area: Taxation

Introduced: Jan 16, 2025

Current Status: Held at the desk.

Latest Action: Held at the desk. (May 26, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/senate-bill/129>

Sponsor

Name: Sen. Cruz, Ted [R-TX]

Party: Republican • **State:** TX • **Chamber:** Senate

Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Cortez Masto, Catherine [D-NV]	D · NV		Jan 16, 2025
Sen. Cramer, Kevin [R-ND]	R · ND		Jan 16, 2025
Sen. Daines, Steve [R-MT]	R · MT		Jan 16, 2025
Sen. Hawley, Josh [R-MO]	R · MO		Jan 16, 2025
Sen. Ricketts, Pete [R-NE]	R · NE		Jan 16, 2025
Sen. Rosen, Jacky [D-NV]	D · NV		Jan 16, 2025
Sen. Scott, Rick [R-FL]	R · FL		Jan 16, 2025
Sen. Marshall, Roger [R-KS]	R · KS		Jan 27, 2025

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Discharged From	May 20, 2025

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
119 HR 482	Identical bill	Jan 16, 2025: Referred to the House Committee on Ways and Means.

No Tax on Tips Act

This bill establishes a new tax deduction of up to \$25,000 for tips, subject to limitations. The bill also expands the business tax credit for the portion of payroll taxes an employer pays on certain tips to include payroll taxes paid on tips received in connection with certain beauty services.

Under the bill, the new tax deduction for tips is limited to cash tips (1) received by an employee during the course of employment in an occupation that customarily receives tips, and (2) reported by the employee to the employer for purposes of withholding payroll taxes. (Under current law, an employee is required to report tips exceeding \$20 per month to their employer.)

Further, an employee with compensation exceeding a specified threshold (\$160,000 in 2025 and adjusted annually for inflation) in the prior tax year may not claim the new tax deduction for tips.

Finally, the bill expands the business tax credit for the portion of payroll taxes that an employer pays on certain tips to include payroll taxes paid on tips received in connection with barbering and hair care, nail care, esthetics, and body and spa treatments. (Under current law, an employer is allowed a business tax credit for the amount of payroll taxes paid on certain tips received by an employee in connection with providing, delivering, or serving food or beverages.)

- Jan 16, 2025:** Introduced in Senate
- **Jan 16, 2025:** Read twice and referred to the Committee on Finance.
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