

## HR 558

Tip Tax Termination Act

**Congress:** 119 (2025–2027, Current)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Jan 20, 2025

**Current Status:** Referred to the House Committee on Ways and Means.

**Latest Action:** Referred to the House Committee on Ways and Means. (Jan 20, 2025)

**Official Text:** <https://www.congress.gov/bill/119th-congress/house-bill/558>

### Sponsor

**Name:** Rep. Bacon, Don [R-NE-2]

**Party:** Republican • **State:** NE • **Chamber:** House

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Jan 20, 2025

### Subjects & Policy Tags

**Policy Area:**

Taxation

### Related Bills

*No related bills are listed.*

### **Tip Tax Termination Act**

This bill excludes from gross income for federal tax purposes up to \$20,000 of eligible tips received during the tax year. The bill also requires the Internal Revenue Service to modify the tables and procedures used to withhold federal income tax from wages to take into account eligible tips excluded from gross income.

The bill defines *eligible tips* as amounts received while performing services in a position that generally relies on tips as part of wages, including cosmetology, hospitality, and food service.

Further, under the bill, the amount of eligible tips excluded from gross income must not be included in determining federal tax deductions or credits, except for purposes of calculating the child tax credit and earned income tax credit.

Finally, the exclusion from gross income only applies to eligible tips received before 2030.



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