



For Immediate Release

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Donalds Leads National Initiative To Eliminate Taxes On Tips

WASHINGTON – Today, Congressman Byron Donalds (R-FL) introduced [legislation](#) to ensure a 100% above-the-line deduction at filing for tipped wages.

The ["No Tax On Tips Act"](#) is the 92<sup>nd</sup> piece of legislation introduced by Congressman Donalds during the 118<sup>th</sup> Congress, has received the support of Rep. Derrick Van Orden (R-WI), and is the House companion bill to Sen. Ted Cruz's (R-TX) [S.4621](#). Congressman Donalds released the following statement:

"For far-too-long, Washington’s focus has been on how much of your paycheck politicians and unelected bureaucrats will take to fund their destructive agendas. Americans deserve to take home more of what they have earned, especially given the self-inflicted economic hardships created by the Biden administration. That is why Senator Cruz (R-TX) and I have introduced the 'No Tax on Tips Act.' Our bill allows taxpayers to claim a 100% above-the-line deduction at filing for tipped wages. Policymakers must put the needs and financial interests of hardworking Americans first."

ECONOMIC CHALLENGES AFFECTING THE SERVICE INDUSTRY:

- The restaurant and foodservice industry is the nation’s second largest private sector employer, providing 15.5 million jobs – or 10% of the total U.S. workforce. In 2023, roughly 4 million employees, or about 2.5% of the entire American workforce, worked in tipped occupations.
- Between January 2021 and May 2024, real average hourly earnings for all private sector employees decreased by 2.24% thanks to President Biden's reckless spending.
- Real median weekly earnings for full-time workers have also dropped by 2.14% from Q1 of 2021 to the Q1 of 2024 and real per-capita disposable personal income has decreased by 9.04% during the same period.

SOLUTION:

- By implementing a 100% above-the-line-deduction for tipped wages, employees will pocket more of what they earn, be able to show their actual income to potential lenders and continue to accrue federal benefits without unintentionally qualifying for low-income safety net programs.
- At the same time, the current IRS voluntary tip reporting compliance programs and business tax benefits remain unchanged for employers.

MORE:

- See graphics rollout [HERE](#).
- See full text of the Donalds "No Tax On Tips Act" [HERE](#).
- See bill profile of Cruz Senate Companion Bill S.4621 [HERE](#).

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