

2025–2028: No Tax on Tips!

- Up to \$25,000 in Qualified Tips Now Tax-Free

Thanks to the One Big, Beautiful Bill Act, tipped workers can now deduct up to \$25,000 per year in qualified tips from their taxable income—for tax years 2025 through 2028.

What Counts as “Qualified Tips”?

- Voluntary: Freely given by customers (not mandatory service charges)
- Recognized Occupations: Servers, bartenders, stylists, podcasters, streamers, and more
- Cash or Equivalent: Cash, card payments, gift cards, casino chips, etc.
- Properly Reported: Must be reported to the IRS via W-2, 1099, or Form 4137

What Doesn’t Count?

- Mandatory service charges
- Tips tied to illegal or adult content
- Non-cash items (meals, tickets, services)
- Tips from law, finance, athletics, or other excluded professions

Married? File Jointly!

- To qualify for the deduction, married individuals must file as “Married Filing Jointly.”

Those who file “Married Filing Separate” are not eligible.

How to Claim It

- Applies to tax years 2025–2028
- Claim on your federal return—standard or itemized
- Income phase-out begins at \$150,000 (or \$300,000 for joint filers)

Track your tips. Report them properly.

For more info, consult your tax professional or visit [irs.gov](https://www.irs.gov).