

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS35434-Nifa-208A

Short Title: TIPS Tax Deduction.

(Public)

Sponsors: Senators Jones, Johnson, and Chitlik (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT ALLOWING AN INCOME TAX DEDUCTION FOR TIPS.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.5(b) reads as rewritten:

5 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may
6 deduct from the taxpayer's adjusted gross income any of the following items that are included in
7 the taxpayer's adjusted gross income:

8 ...

9 (17) Any amount received as tips that are required to be reported to the taxpayer's
10 employer pursuant to section 6053(a) of the Code."

11 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
12 2026.



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