

119TH CONGRESS  
1ST SESSION

# S. 2780

To clarify the treatment of certain tips for purposes of the tax deduction  
for qualified tips.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 2025

Mr. GALLEGO introduced the following bill; which was read twice and referred  
to the Committee on Finance

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## A BILL

To clarify the treatment of certain tips for purposes of the  
tax deduction for qualified tips.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “No Tax on Large  
5       Party Tips Act”.

6       **SEC. 2. TREATMENT OF CERTAIN TIPS.**

7       (a) IN GENERAL.—For purposes of section  
8       224(d)(2)(A) of the Internal Revenue Code of 1986—

9               (1) any tip automatically added to a customer’s  
10       bill at the time of payment, and

- 1           (2) any tip that is a suggested tip prompted by
- 2       a business,
- 3 shall be treated as paid voluntarily.

