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DIGEST

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HB 195 Original

2025 Regular Session

Bayham

**Abstract:** Authorizes an income tax deduction for tip income.

Proposed law authorizes an income tax deduction for amounts of tip income that a resident individual taxpayer receives in a taxable year. Proposed law limits the amount of the deduction that any taxpayer may claim to \$25,000 for any taxable year.

Proposed law defines "tip income" as the total of all of the following amounts for any taxable year:

- (1) The amount reported as "social security tips" on the taxpayer's IRS Form W-2, or any successor to that form.
- (2) The amount reported as "allocated tips" on the taxpayer's IRS Form W-2, or any successor to that form.
- (3) The amount of cash and charge tips received less the amount of cash and charge tips reported to all employers as recorded on the taxpayer's IRS Form 4137, or any successor to that form.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Adds R.S. 47:293(9)(a)(xxvii) and 297.26)