FILED SENATE
Apr 30, 2026
S.B. 983
PRINCIPAL CLERK

**GENERAL ASSEMBLY OF NORTH CAROLINA**
**SESSION 2025**

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# SENATE BILL DRS35434-NIfa-208A

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| Short Title: | TIPs Tax Deduction. | (Public) |
| Sponsors: | Senators Jones, Johnson, and Chitlik (Primary Sponsors). | |
| Referred to: | | |

A BILL TO BE ENTITLED

AN ACT ALLOWING AN INCOME TAX DEDUCTION FOR TIPS.

The General Assembly of North Carolina enacts:

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

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

…

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

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