

House File 361 - Introduced

HOUSE FILE 361
BY COOLING

A BILL FOR

- 1 An Act exempting cash tips from the individual income tax, and
- 2 including applicability provisions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 422.7, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 45. Subtract, to the extent included, the
4 amount of cash tips that were received and are included on
5 statements furnished to an employer as required by section
6 6053(a) of the Internal Revenue Code.

7 Sec. 2. APPLICABILITY. This Act applies to tax years
8 beginning on or after January 1, 2026.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill excludes from the individual income tax the amount
13 of cash tips received and included on statements furnished to an
14 employer as required by section 6053(a) of the Internal Revenue
15 Code.

16 The bill applies to tax years beginning on or after January 1,
17 2026.