

DEDUCTION FOR GRATUITIES

House Bill 5034
Sponsor: Rep. Jason Allen
Committee: Tax Policy

Complete to 8-23-01

A SUMMARY OF HOUSE BILL 5034 AS INTRODUCED 7-12-01

The bill would amend the Income Tax Act to allow for the deduction from taxable income of gratuities received in the tax year, not to exceed \$10,000. This would apply for tax years beginning after December 31, 2000.

The term “gratuities” would mean tips or voluntary monetary contributions received by an employee from a guest, patron, or customer that the employee reports to the employer for the purpose of the Federal Insurance Contributions Act (FICA).

MCL 206.30

House Bill 5034 (8-23-01)

Analyst: C. Couch

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