

No tax on tips? Ohio lawmaker wants to eliminate state, local taxes on tips

House Bill 209 would exempt tips from state and local income taxes, regardless of how much the person makes

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Ohio workers could avoid state and local taxes on their tips under a bill introduced by a Republican lawmaker.

[House Bill 209](#) would exempt tips from state and local income taxes, regardless of how much the person makes. The proposal comes as Congress debates whether to eliminate taxes on tips and make good on a campaign promise from President Donald Trump.

"If someone stays late, works a double and earns extra in tips, they should keep that money, not hand it over in taxes," Rep. Brian Lorenz, R-Powell, said during a May 21 committee hearing. "We talk about supporting working people. Here's one way to actually do it – let them keep more of what they earn and trust them to spend it in their communities."

Did they pass no tax on tips?

The hearing came one day after the U.S. Senate passed legislation to create a tax deduction up to \$25,000 for tipped workers who earn \$160,000 or less, [USA TODAY reported](#). The U.S. House is [debating a similar policy](#) as part of a major budget bill that could extend Trump's tax cuts and cut Medicaid and SNAP benefits.

The Ohio proposal got mixed reviews during its first hearing. Republicans and Democrats said the measure could help workers, but some questioned whether employees even report tips on their income taxes. Rep. Daniel Troy, D-Willowick, argued the state should require employers to pay better wages so workers don't need to rely on tips.

Nationally, the idea has gained steam. [Polls suggest](#) it's popular among Americans on both sides of the political aisle. But the [Urban-Brookings Tax Policy Center](#) estimates that exempting tips would

reduce federal revenue by \$6.5 billion and generate little tax savings for workers.

"In a perfect world, we would not have taxes," Gov. Mike DeWine said May 21. "We would love not to have taxes of any sort. But we like to support our schools. We like to help people who have mental health challenges. There's a lot of things that government does that's pretty essential."