

# HOUSE BILL 201

Q3  
HB 1005/25 – W&M

(PRE-FILED)

6lr1549

By: **Delegates Fisher, Arian, Chisholm, Grammer, M. Morgan, Nawrocki, and Szeliga**

Requested: October 31, 2025

Introduced and read first time: January 14, 2026

Assigned to: Ways and Means

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Tips or Gratuities – Subtraction Modification**  
3 **(No Income Taxes on Tips Act)**

4 FOR the purpose of providing a subtraction modification under the Maryland income tax  
5 for compensation received in the form of a tip or gratuity for the performance of  
6 certain work; and generally relating to a subtraction modification under the  
7 Maryland income tax for compensation received in the form of a tip or gratuity.

8 BY repealing and reenacting, without amendments,

9 Article – Tax – General

10 Section 10–207(a)

11 Annotated Code of Maryland

12 (2022 Replacement Volume and 2025 Supplement)

13 BY adding to

14 Article – Tax – General

15 Section 10–207(rr)

16 Annotated Code of Maryland

17 (2022 Replacement Volume and 2025 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
19 That the Laws of Maryland read as follows:

20 **Article – Tax – General**

21 10–207.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



4 (RR) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE  
5 MEANINGS INDICATED.

6 (II) "FOOD SERVICE FACILITY" HAS THE MEANING STATED IN §  
7 21-301 OF THE HEALTH - GENERAL ARTICLE.

(III) "HOTEL" MEANS AN ESTABLISHMENT THAT OFFERS SLEEPING ACCOMMODATIONS FOR COMPENSATION.

10 (IV) "PROVIDING PASSENGER-FOR-HIRE SERVICES" MEANS  
11 PROVIDING LIMOUSINE SERVICES, SEDAN SERVICES, OR TRANSPORTATION  
12 NETWORK SERVICES IN ACCORDANCE WITH TITLE 10 OF THE PUBLIC UTILITIES  
13 ARTICLE.

14 (v) "PROVIDING TAXICAB SERVICES" MEANS PROVIDING  
15 TAXICAB SERVICES IN ACCORDANCE WITH TITLE 10 OF THE PUBLIC UTILITIES  
16 ARTICLE.

**(D) EMPLOYMENT IN A FOOD SERVICE FACILITY:**

20 (II) EMPLOYMENT IN A BUSINESS LICENSED FOR ON-SALE  
21 CONSUMPTION OF AN ALCOHOLIC BEVERAGE IN ACCORDANCE WITH THE  
22 ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE:

### 23 (III) EMPLOYMENT IN A HOTEL:

#### (IV) PROVIDING PASSENGER-FOR-HIRE SERVICES: OR

25 (V) PROVIDING TAXICAB SERVICES

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
27 1, 2026, and shall be applicable to all taxable years beginning after December 31, 2025.