



House Bill 201

Income Tax - Tips or Gratuities - Subtraction Modification (No Income Taxes on Tips Act)

January 29, 2026

Position: **SUPPORT**

Madame Chair and Members of the Ways and Means Committee:

The Restaurant Association of Maryland strongly supports House Bill 201, which would allow restaurant and bar tipped employees to exclude earned tips from their Maryland taxable income.

Employees are the backbone of the foodservice/hospitality industry, and we appreciate this legislation that could provide some State tax relief to our tipped employees and their families. Servers, bartenders and other tipped employees perform unique roles in the hospitality industry and are rewarded with tips for the excellent service they provide to customers/guests. This legislation would help these employees keep more of their hard-earned tips.

We respectfully request a favorable report for House Bill 201.

Sincerely,

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy