

HB 201: Income Tax - Tips or Gratuities - Subtraction Modification (No Income Taxes on Tips Act): Please VOTE TO SUPPORT this bill.

Dear Ways & Means Committee Chair and Members of the Committee,

I respectfully write in **strong support of HB 0201 – Income Tax – Tips or Gratuities – Subtraction Modification (No Income Taxes on Tips Act)**.

For many Marylanders working in service industries — including restaurant staff, hospitality workers, salon professionals, delivery drivers, and others — **tips are not extra income; they are essential income**. These workers often rely on tips to cover basic necessities such as rent, groceries, transportation, and childcare. Taxing these gratuities places an additional burden on individuals who are already working long hours for modest base wages.

HB 0201 offers **meaningful, targeted relief** to working people who are feeling the pressure of rising costs and economic uncertainty. Allowing tips to be excluded from state income tax acknowledges the reality of tipped work and ensures that workers are able to keep more of what they earn through direct service to customers.

This bill also promotes **fairness and simplicity**. Tips are inherently variable, unpredictable, and dependent on customer behavior. Exempting them from income taxation reduces administrative complexity while ensuring that Maryland does not disproportionately tax those in lower-wage, tip-dependent occupations.

Importantly, **HB 0201** supports workforce stability in industries that are vital to Maryland's economy. By improving take-home pay for tipped workers, the state can help reduce turnover, improve retention, and support small businesses that depend on a reliable and motivated workforce.

At its core, **HB 0201 is about dignity, fairness, and respect for work**. Maryland should not tax generosity given directly to workers who earn it through hard work and personal service.

For these reasons, I respectfully urge the committee to vote to **SUPPORT HB 0201**.

Thank you for your time and thoughtful consideration.

Sincerely,
Trudy Tibbals