

The Taxpayer Assistance and eXemption (T.A.X.) Act

BE IT ENACTED BY THE CONGRESS HERE ASSEMBLED THAT:

- 1 **SECTION 1.** To exempt tips and overtime earnings from federal income
2 tax, increasing take-home pay for American workers and retirees.
- 3 **SECTION 2.** For the purposes of this legislation, the following terms are
4 defined:
- 5 A. "Tips" shall be defined as any income received as gratuities.
- 6 B. "Overtime Earnings" shall be defined as any income received from
7 overtime hours.
- 8 C. "Tip Credit" shall be defined as the practice of counting tips as a
9 portion of wages to meet federal or state minimum wage requirements.
- 10 **SECTION 3.** The Department of Treasury and Internal Revenue Service
11 will be responsible for the implementation of this legislation:
- 12 A. Businesses that utilize tip credits shall be subject to an additional 12%
13 tax.
- 14 **SECTION 4.** This legislation will take effect on January 1, 2025. All laws in
15 conflict with this legislation are hereby declared null and void.
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Introduced for Congressional Debate by Lindsay Rosaler of Stoneman Douglas High School.