

SENATE, No. 4733

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 5, 2026

Sponsored by:
Senator CARMEN F. AMATO, JR.
District 9 (Ocean)

Co-Sponsored by:
Senator Corrado

SYNOPSIS

Allows gross income tax deduction for income earned in form of tips.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/5/2026)

1 AN ACT allowing a gross income tax deduction for income earned
2 in the form of tips, and supplementing chapter 3 of Title 54A of
3 the New Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. A taxpayer shall be allowed a deduction from gross income
9 equal to the amount of income received in the form of tips for
10 services rendered during the taxable year that are included in
11 statements furnished to the employer pursuant to subsection (a) of
12 section 6053 of the federal Internal Revenue Code, 26 U.S.C.S.
13 s.6053(a), or such other documentation as may be required by the
14 Director of the Division of Taxation.

15
16 2. The Director of the Division of Taxation of the Department of
17 the Treasury shall adopt, pursuant to the “Administrative Procedure
18 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and
19 regulations as are necessary to carry out the provisions of this act.

20
21 3. This act shall take effect immediately and shall apply to
22 taxable years beginning on or after the January 1 next following the
23 date of enactment.

24
25 STATEMENT

26
27 This bill allows a gross income tax deduction for income earned
28 in the form of tips.

29 Under the bill, a taxpayer claiming a deduction against gross
30 income tax for income received from customers in the form of tips
31 is required to report that tip income in a statement to the employer
32 pursuant to federal income tax law, or such other documentation as
33 may be required by the Director of the Division of Taxation.