

Occupations That Regularly Receive Tips

Cross References

- REG-110032-25

The IRS has issued proposed regulations that list occupations that customarily and regularly received tips on or before December 31, 2024, for purposes of the deduction for tips received under the One Big Beautiful Bill Act (OBBBA). The list in the proposed regulations is almost the same list that was issued as a preliminary list by the IRS on August 27, 2025, with a few minor changes (see TheTaxBook News article posted on 9/9/2025). The following is the official list as it appears in the proposed regulations.

Treasury Tipped Occupation Code (TTOC)	TTOC Occupation Title	Percent With Reported Tips ¹	Percent of All Reported Tips ²	Reported Tips As Percent of Wages of Tipped Workers ³	Related Standard Occupational Classification (SOC) System Code
Beverage & Food Service					
101	Bartenders	82.8	9.8	63.4	35-3011.
102	Wait Staff	74.6	34.2	63.5	35-3031.
103	Food Servers, Nonrestaurant	30.4	0.1	33.0	35-3041.
104	Dining Room and Cafeteria Attendants and Bartender Helpers	38.9	1.0	44.8	35-9011.
105	Chefs and Cooks	12.8	2.0	17.1	35-1011, 35-2011, 35-2013, 35-2014, 35-2019.
106	Food Preparation Workers	21.4	3.3	33.5	35-1012, 35-2021, 35-9099.
107	Fast Food and Counter Workers	40.1	1.4	17.9	35-3023.
108	Dishwashers	11.0	0.1	15.8	35-9021.
109	Host Staff, Restaurant, Lounge, and Coffee Shop	46.3	0.8	35.3	35-9031.
110	Bakers	12.0	0.1	14.7	51-3011.
Entertainment & Events					
201	Gambling Dealers	70.9	4.3	70.7	39-3011, 39-1013, 39-3013.
202	Gambling Change Persons and Booth Cashiers	78.0	0.4	64.8	41-2012.
203	Gambling Cage Workers	37.6	0.2	57.7	43-3041.
204	Gambling and Sports Book Writers and Runners	30.0	(*)	43.3	39-3012.

continued

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<i>Entertainment & Events continued</i>					
205	Dancers	8.8	(*)	54.3	27-2031.
206	Musicians and Singers	2.9	(*)	36.8	27-2042.
207	Disc Jockeys, Except Radio	15.7	(*)	44.9	27-2091.
208	Entertainers and Performers	7.9	(*)	52.0	27-2099.
209	Digital Content Creators	7.9	(*)	52.0	27-2099.
210	Ushers, Lobby Attendants, and Ticket Takers	3.1	(*)	11.6	39-3031.
211	Locker Room, Coatroom, and Dressing Room Attendants	12.0	(*)	19.1	39-3093.
Hospitality & Guest Services					
301	Baggage Porters and Bellhops	7.0	0.1	18.6	39-6011.
302	Concierges	3.7	(*)	11.7	39-6012.
303	Hotel, Motel, and Resort Desk Clerks	11.7	0.7	42.8	43-4081.
304	Maids and Housekeeping Cleaners	2.7	0.1	10.6	37-2012.
Home Services					
401	Home Maintenance and Repair Workers	0.5	0.1	16.1	49-9071, 49-9098, 49-9099, 49-9063, 49-2097, 51-7021.
402	Home Landscaping and Groundskeeping Workers	0.5	(*)	14.0	37-3011.
403	Home Electricians	0.1	(*)	10.6	47-2111.
404	Home Plumbers	0.2	(*)	5.1	47-2152.
405	Home Heating and Air Conditioning Mechanics and Installers	0.2	(*)	4.0	49-9021.
406	Home Appliance Installers and Repairers	1.8	(*)	1.9	49-9031.
407	Home Cleaning Service Workers	2.7	0.1	10.6	37-2012.
408	Locksmiths	2.0	(*)	3.1	49-9094.
409	Roadside Assistance Workers	0.2	(*)	10.8	49-3023, 53-3032.
Personal Services					
501	Personal Care and Service Workers	0.6	0.1	31.1	31-1122, 39-9099.
502	Private Event Planners	5.9	0.1	16.3	13-1121, 27-1023.
503	Private Event and Portrait Photographers	2.3	(*)	22.0	27-4021.
504	Private Event Videographers	(*)	(*)	(*)	27-4031.

continued

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<i>Personal Service continued</i>					
505	Event Officiants	0.2	(*)	16.8	21-2011.
506	Pet Caretakers	19.1	0.3	16.2	39-2021.
507	Tutors	0.5	(*)	34.5	25-3041.
508	Nannies and Babysitters	0.7	(*)	28.8	39-9011.
Personal Appearance & Wellness					
601	Skincare Specialists	54.7	0.5	24.4	39-5094.
602	Massage Therapists	55.8	0.6	25.7	31-9011.
603	Barbers, Hairdressers, Hairstylists, and Cosmetologists	52.4	3.2	22.7	39-5012, 39-5011.
604	Shampooers	(*)	(*)	(*)	39-5093.
605	Manicurists and Pedicurists	36.2	0.3	14.9	39-5092.
606	Makeup Artists	13.1	(*)	14.8	39-5091.
607	Exercise Trainers and Group Fitness Instructors	1.0	(*)	25.8	39-9031.
608	Tattoo Artists and Piercers	11.1	(*)	15.8	27-1019.
609	Tailors	0.8	(*)	15.9	51-6052.
610	Shoe and Leather Workers and Repairers	(*)	(*)	(*)	51-6041.
611	Eyebrow Threading and Waxing Technicians	53.2	3.0	22.6	39-5012.
Recreation & Instruction					
701	Golf Caddies	8.0	(*)	27.9	39-3091.
702	Self-Enrichment Teachers	1.9	(*)	7.5	25-3021.
703	Sports and Recreation Instructors	1.9	(*)	7.5	25-3021.
704	Tour Guides	14.2	(*)	17.1	39-7011.
705	Travel Guides	13.3	(*)	16.2	39-7012.
706	Recreational and Tour Pilots	(*)	(*)	(*)	53-2012.
Transportation & Delivery					
801	Parking and Valet Attendants	17.4	0.1	21.5	53-6021.
802	Taxi and Rideshare Drivers and Chauffeurs	24.9	(*)	21.2	53-3054.
803	Shuttle Drivers	16.7	0.1	28.0	53-3053.
804	Goods Delivery People	3.7	0.5	30.0	53-3031.
805	Personal Vehicle and Equipment Cleaners	4.8	(*)	12.4	53-7061.
806	Private and Charter Bus Drivers	0.7	(*)	9.9	53-3052.
<i>continued</i>					

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<i>Transportation & Delivery continued</i>					
808	Rickshaw, Pedicab, and Carriage Drivers	0.8	(*)	21.4	53-6099.
809	Home Movers	2.5	2.8	32.8	53-7062.
Total			⁴ 67.4	44.6	

Notes: Data are for Tax Year 2023. An * indicates a share of less than 0.1% or a small cell size.

¹ Percentage of individuals within the Related SOC code(s) who have at least \$100 of tips reported on a W-2 or Form 4137 ("reported tips").

² Reported tips of individuals in Related SOC code(s) as a percentage of all reported tips. The denominator includes all individuals regardless of whether their occupation could be mapped to a SOC code or if their SOC code is related to a TTOC code.

³ Reported tips of individuals in Related SOC code(s) as a percentage of wages of individuals with tips in Related SOC code(s). The denominator includes wages of individuals in Related SOC code(s) only if they report tips.

⁴ Occupation codes are matched to SOC codes, which are then related to TTOC occupation titles, using the self-reported character strings in the "Your occupation" box next to the signature box on the Form 1040. The occupation box does not affect a taxpayer's tax liability, and taxpayers with a single W-2 sometimes enter an occupation (character string) that does not correspond to the W-2. For example, a student who was also a bartender might have entered "Student" in the occupation box, or they may have misspelled "bartender" as "batrender." In either case, we would not be able to match the "Student" or "batrender" who received tips to a TTOC code. These data shortcomings are the primary reason that the percentage of all reported tips for occupations listed in the table sum to only 67.4%. Source: Office of Tax Analysis, August 9, 2025.

In addition to requiring that qualified tips must be received in an occupation that customarily and regularly received tips on or before December 31, 2024, OBBBA provides that tips do not qualify for the deduction if they are received in the course of certain specified trades or businesses, including the fields of health, performing arts, and athletics. The following is a summary of some of the provisions contained in the proposed regulations.

Qualified tips. IRC section 224(d)(1) defines "qualified tips" as cash tips received by an individual in an occupation that customarily and regularly received tips on or before December 31, 2024. The proposed regulations would define "qualified tips" as amounts received as cash tips by an individual in an occupation that customarily and regularly received tips on or before December 31, 2024, subject to certain limitations. The proposed regulations would define cash tips as tips received from customers or, in the case of an employee, through a mandatory or voluntary tip-sharing arrangement, such as a tip pool, that are paid in a cash medium of exchange, including by cash, check, credit card, debit card, gift card, tangible or intangible tokens that are readily exchangeable for a fixed amount in cash (such as casino chips), and any other form of electronic settlement or mobile payment application that is denominated in cash. Cash tips would not include items paid in any medium other than cash or charge, such as event tickets, meals, services, or other assets that are not exchangeable for a fixed amount in cash (such as most digital assets). For purposes of the proposed regulations, tips would be amounts paid by customers for services that are in excess of the amount agreed to, required, charged, or otherwise reasonably expected to have to be paid for the services in an arm's length transaction.

Payments must be voluntary. IRC section 224(d)(2)(A) provides that “qualified tips” must be paid voluntarily without any consequence in the event of nonpayment, must not be the subject of negotiation, and must be determined by the payor. In Revenue Ruling 2012-18, the IRS applied similar factors in distinguishing tips from non-tip wages, specifically service charges, for FICA and income tax withholding purposes. Revenue Ruling 2012-18 provides that the absence of any of the following factors creates a doubt as to whether a payment is a tip and indicates that the payment may be a service charge.

- 1) The payment must be made free from compulsion,
- 2) The customer must have the unrestricted right to determine the amount,
- 3) The payment should not be the subject of negotiation or dictated by employer policy, and
- 4) Generally, the customer has the right to determine who receives the payment.

Example A in Revenue Ruling 2012-18 concludes that an 18% charge automatically added to a bill for a large party is a service charge and not a tip because it was dictated by the employer and was not paid free from compulsion. Consistent with both existing IRS guidance on tips and evolving practices concerning service charges, the proposed regulations would clarify that service charges, automatic gratuities, and other mandatory amounts automatically added to a customer’s bill by the vendor or establishment, are not qualified tips for purposes of IRC section 224(d) unless the customer is expressly provided an option to disregard or modify it without consequence.

Special rules regarding a specified service trade or business. IRC section 224(d)(2)(B) provides that qualified tips do not include those received in the course of a trade or business that is a specified service trade or business (SSTB) as defined in IRC section 199A(d)(2). An SSTB is defined as any trade or business:

- A) Involving the performance of services in the fields of health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset of such trade or business is the reputation or skill of one or more of its employees or owners, or
- B) That involves the performance of services that consist of investing and investment management, trading, or dealing in securities, partnership interests, or commodities.

Regulation section 1.199A-5(b)(2) further defines what it means to perform services in the fields listed in IRC section 199A(d)(2)(A). For example, the meaning of services performed in the performing arts means “the performance of services by individuals who participate in the creation of performing arts, such as actors, singers, musicians, entertainers, directors, and similar professionals performing services in their capacity as such.” The regulations further provide that the performance of services in the field of performing arts does not include the provision of services that do not require skills unique to the creation of performing arts, such as the maintenance and operation of equipment or facilities for use in the performing arts, or the provision of services by persons who broadcast or otherwise disseminate video or audio of performing arts to the public. The proposed regulations would provide that an amount received by an individual in the course of an SSTB is not a qualified tip.

The proposed regulations would also provide that tips received by an employee performing services for the employee's employer in the course of a specified service trade or business operated by the employer are not qualified tips. The proposed regulations would clarify that this rule applies without regard to whether an owner of the trade or business is able to claim a Section 199A deduction. For example, this rule applies if the employer is a corporation, even though corporations are not eligible for the deduction under IRC section 199A.

The proposed regulations would also clarify that this rule applies even if the employee receiving tips in the course of working for an SSTB employer is working in an occupation that customarily and regularly received tips on or before December 31, 2024, for purposes of IRC section 224(d)(1) and is listed in proposed regulation section 1.224-1(f). The proposed regulations would provide examples illustrating this rule.

Determining qualified tips for employees who participate in voluntary tip reporting programs with tip rates. Employees who enter into a Tipped Employee Participation Agreement as part of the Tip Rate Determination Agreement (TRDA) program or a Model Gaming Employee Tip Reporting Agreement as part of the Gaming Industry Tip Compliance Agreement (GITCA) program agree to report tips to their employer at or above the tip rate established by their employer for their occupational category. In exchange for the employees' voluntary agreement to report tips at this agreed upon rate, the IRS provides tip examination protection to the employees for the taxable years in which their agreements were in effect. The proposed regulations would clarify that "qualified tips" include tips reported pursuant to an agreement under the TRDA or GITCA program provided that the participating employee in the TRDA or GITCA program is otherwise eligible for the deduction under IRC section 224, and reports tips using the tip rates established under their agreement. Additionally, the proposed regulations would clarify that an employee participating in the TRDA or GITCA program may report additional qualified tips to the IRS on Form 4137.

Other requirements. IRC section 224(d)(2) provides that the term "qualified tips" does not include amounts received by an individual unless such other requirements as may be established by the Secretary in regulations or other guidance are satisfied. The proposed regulations would provide that amounts received for services the performance of which is a felony or misdemeanor under applicable law are not qualified tips. In addition, the proposed regulations would provide that amounts received for prostitution services and pornographic activity are not qualified tips. Finally, to prevent reclassification of income as qualified tips, and to prevent abuse of the deduction, the proposed regulations would also provide that a payment is not a qualified tip if the tip recipient has an ownership interest in or is employed by the payor of the tip.

Trade or business limitations. IRC section 224(c) imposes a limitation on a taxpayer who receives tips in the course of a trade or business (other than the trade or business of performing services as an employee). The proposed regulations would restate the statutory limit, which is the difference between the gross income from the taxpayer's trade or business for the taxable year minus the sum of deductions (other than the deduction for qualified tips) for that trade or business for the taxable year. The proposed regulations

would clarify that the deduction allowed for qualified tips is not taken into account for this purpose because it is not a deduction associated with a trade or business.

Social Security Numbers and married individuals. The proposed regulations would clarify that a taxpayer must include on the tax return for the taxable year the SSN of the individual who has received the tips. The proposed regulations would also restate the statutory requirement that a taxpayer who is married must file a joint return with the taxpayer's spouse to claim the deduction allowed by IRC section 224. The proposed regulations would further clarify that married taxpayers are only required to include the SSN of the taxpayer who has received the qualified tips to claim the deduction, and that an SSN is required of both taxpayers only when both have qualified tips for which they are claiming a deduction.

The proposed regulations would also clarify that the total amount of qualified tips that can be deducted on a return per calendar year is \$25,000 regardless of filing status. After applying the \$25,000 limitation, the proposed regulations would provide that the amount is subject to the phase-out based on the taxpayers' modified adjusted gross income described in IRC section 224(b)(2).