



Here's what taxpayers need to know about reporting tip income on their tax return

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Spanish version: <https://www.irs.gov/es/newsroom/heres-what-taxpayers-need-to-know-about-reporting-tip-income-on-their-tax-return>

Generally, income received from any source, including tips, is taxable. Here's some information to help taxpayers report tip income.

All tips that taxpayers receive are income and subject to federal income tax. Taxpayers must include all tips they receive in their gross income. This includes:

- Tips directly from customers.
- Tips added using credit cards.
- Tips from a tip-splitting arrangement with other employees.

The value of non-cash tips, such as tickets, passes or other items of value is also income and subject to tax.

Three things can help taxpayers correctly report their tip income.

- Keep a daily tip record.
- Report tips to their employer.
- Report all tips on their income tax return.

Use the Interactive Tax Assistant

This tool provides answers to tax law questions. Taxpayers can use the [Interactive Tax Assistant](#) on IRS.gov to find out if their tip income is taxable.

If an employee receives \$20 or more in any month, they must report their tips for that month to their employer by the 10th day of the next month. The employer must withhold federal income, Social Security and Medicare taxes on the reported tips.

More information:

[Is My Tip Income Taxable?](#)

[Form 4137, Social Security and Medicare Tax on Unreported Tip Income](#)

[Publication 1244, Employee's Daily Record of Tips and Report to Employer](#)

[Tip Recordkeeping & Reporting](#)

[Publication 531, Reporting Tip Income](#)

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