
What You Should Know if You Get Tipped at Work

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If you get tips on the job, you should know some things about tips and taxes. Here are a few tips from the IRS to help you file and report your tip income correctly:

- **Show all tips on your return.** You must report all tips you receive on your federal tax return. This includes the value of tips that are not in cash. Examples include items such as tickets, passes or other items.
- **All tips are taxable.** You must pay tax on all tips you received during the year. This includes tips directly from customers and tips added to credit cards. It also includes your share of tips received under a tip-splitting agreement with other employees.
- **Report tips to your employer.** If you receive \$20 or more in tips in any one month, you must report your tips for that month to your employer. You should only include cash, check and credit card tips you received. Do not report the value of any noncash tips on this report. Your employer must withhold federal income, Social Security and Medicare taxes on the reported tips.
- **Keep a daily log of tips.** Use [Publication 1244](#), Employee's Daily Record of Tips and Report to Employer, to record your tips. This will help you report the correct amount of tips on your tax return.

For more on this topic, see [Publication 531](#), Reporting Tip Income. You can get it on [IRS.gov](#).