



NEWS RELEASE

Arizona House of Representatives

Representative Gail Griffin (R-19)

1700 West Washington • Phoenix, Arizona • 85007

Thursday, January 23, 2025
FOR IMMEDIATE RELEASE

“No Tax on Tips” Advances House Committee

STATE CAPITOL, PHOENIX – The House Committee on Ways and Means advanced its first piece of legislation for the 57th Legislature in [HB2081](#) sponsored by State Representative Gail Griffin. The measure exempts taxation on tipped wages from Arizona’s individual income tax.

It passed along party lines, with Republicans in support and all Democrats opposed, and is a key initiative within the [2025 House Majority Plan](#) to reduce costs and unleash economic prosperity. 73 percent of Arizonans say taxes in the state are too high, and 94 percent say they are concerned about inflation.

“I worked in the service industry years ago and understand the challenges tipped employees face,” said Representative Griffin. **“Tips are an expression of appreciation from customers for services provided. Tips are gifts and, in my opinion, should not be taxed. HB2081 ensures that Arizonans who rely on tips to support themselves and their families can keep more of their hard-earned money. I’m grateful to Chairman Olson for making this the committee’s first bill for the session.”**

As amended in the hearing, the bill exempts all tips from state personal income tax. Supporters of the legislation include the Republican Liberty Caucus and the Arizona Licensed Beverage Association. A representative from Our Voice Our Vote Arizona, a member-led civic engagement organization, also voiced support during testimony.

During the committee hearing, Republican State Representative Neal Carter expressed support for the bill, **“A key feature of a good taxation system is voluntary compliance and simplicity of administration. Tips are often paid in real time and in strange amounts. Taxing tips simply punishes the honest because strict compliance is difficult to achieve.”**

The bill now moves to the Rules Committee for further review before heading to the full House for consideration.

Learn more about the House Majority Plan here: <https://azhousegop.com/2025-majority-plan>

Gail Griffin is a Republican member of the Arizona House of Representatives serving Legislative District 19, which includes areas of Greenlee, Graham, Cochise, and eastern Pima and Santa Cruz Counties. Griffin chairs the House Natural Resources, Energy & Water Committee.

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