

QUALIFIED TIPS DEDUCTION WORKSHEET – Tax Year 2025
FOR SELF-EMPLOYED TAXPAYERS with FORM 1099-NEC, FORM 1099-MISC or FORM 1099-K

TAXPAYER NAME: _____ **BUSINESS NAME, IF DIFFERENT:** _____

1. Is the taxpayer filing Married Filing Separately? YES NO If Yes, STOP; the taxpayer is not eligible for the deduction.
2. Does the taxpayer have a Social Security number that is valid for employment and that was issued by the Social Security Administration before the due date of the 2025 return (including extensions)? YES NO
If No, STOP; the taxpayer is not eligible for the deduction.

Qualified tips for self-employed taxpayers are tips received from customers in an occupation that customarily and regularly received tips on or before December 31, 2024. (See page 2.) Qualified tips are tips that are:

- Cash tips,
- Paid voluntarily,
- Not the subject of negotiation, and
- Determined by the customer/payor.

They must be included in the total amount of compensation, income, or payments reported to the taxpayer on Form 1099-NEC, Form 1099-MISC or Form 1099-K. For tax year 2025, taxpayers may base their determination of the amount of their qualified tips on documentation such as receipts, point-of-sale system reports, daily tip logs, third party settlement organization records, or other documents that show that the amount reported as qualified tips is the correct amount. **Taxpayers must keep a record of the documents used to determine the amount of qualified tips.**

Treasury Tipped Occupation Code: _____

3. **Occupation in which tips were received:** _____
(See page 2. If taxpayer has more than one business with tips, complete a separate worksheet for each business.)

4. **List the amount of qualified tips based on the tax form on which they were reported.** →

Note: Only amounts that appear in the aggregate on Forms 1099 can be considered qualified tips. Any “cash tips” received by the self-employed individual in actual cash that don’t appear on Form 1099-NEC, Form 1099-MISC or Form 1099-K cannot be included in the deduction.

Tips Included On:	
Form 1099-NEC	\$ _____
Form 1099-MISC	\$ _____
Form 1099-K	\$ _____
Total Tips	\$ _____

5. **Calculate the total allowable tips deduction for Schedule 1-A, Additional Deductions.**
(Before completing the calculation below, the return must be completed in TaxSlayer.)

Schedule C, line 31 (net profit for this business)	(a)	//////////	\$ _____
Less: Deduction for self-employment tax (If taxpayer has only one business/Schedule C, enter amount from line Schedule 1, line 15. If taxpayer has more than one business with qualified tips, multiply line (a) by 7.06% (.0706).)	(b)	\$ _____	
Self-employed health insurance deduction (Schedule 1, line 17)	(c)	\$ _____	
Total of lines (b) and (c)	(d)	\$ _____	\$ _____
Net income limitation for this business (line (a) minus line (d))	(e)	//////////	\$ _____
Total Tips from Forms 1099 above (Step 4)	(f)	//////////	\$ _____
Qualified tips deduction for this business (Lesser of line (e) or (f))	(g)	//////////	\$ _____

- Add line (g) amounts for all businesses on the return. Enter that total in TaxSlayer on the **Additional Deductions** → **No Tax on Tips** page in the “Qualified tips included on Form 1099-NEC, 1099-MISC or 1099-K” field.

6. **Qualified Business Income (QBI) Adjustment** –Make the following entry separately in TaxSlayer for each Schedule C: Enter the amount from line (g) in Step 5 as a **negative** amount at **Schedule C** → **Qualified Business Income Deduction** → **Qualified Business Income Adjustment Amount**, but no more than the amount included in Schedule 1-A, line 13 (apportion line 13 between multiple Sch. Cs). If taxpayer also has a qualified tips deduction as an employee, the QBI adjustment above will be reduced. Further guidance will be provided.

Treasury Tipped Occupation Codes (TTOC) and Titles

See [IRS.gov/TippedOccupations](https://www.irs.gov/TippedOccupations) for a table that includes occupation descriptions and illustrative examples.

BEVERAGE AND FOOD SERVICE	
101	Bartenders
102	Wait Staff
103	Food Servers, Nonrestaurant
104	Dining Room and Cafeteria Attendants and Bartender Helpers
105	Chefs and Cooks
106	Food Preparation Workers
107	Fast Food and Counter Workers
108	Dishwashers
109	Host Staff, Restaurant, Lounge, and Coffee Shop
110	Bakers
ENTERTAINMENT AND EVENTS	
201	Gambling Dealers
202	Gambling Change Persons and Booth Cashiers
203	Gambling Cage Workers
204	Gambling and Sports Book Writers and Runners
205	Dancers
206	Musicians and Singers
207	Disc Jockeys, Except Radio
208	Entertainers and Performers
209	Digital Content Creators
210	Ushers, Lobby Attendants, and Ticket Takers
211	Locker Room, Coatroom, and Dressing Room Attendants
HOSPITALITY AND GUEST SERVICES	
301	Baggage Porters and Bellhops
302	Concierges
303	Hotel, Motel, and Resort Desk Clerks
304	Maids and Housekeeping Cleaners
HOME SERVICES	
401	Home Maintenance and Repair Workers
402	Home Landscaping and Groundskeeping Workers
403	Home Electricians
404	Home Plumbers
405	Home Heating and Air Conditioning Mechanics and Installers
406	Home Appliance Installers and Repairers
407	Home Cleaning Service Workers
408	Locksmiths
409	Roadside Assistance Workers

PERSONAL SERVICES	
501	Personal Care and Service Workers
502	Private Event Planners
503	Private Event and Portrait Photographers
504	Private Event Videographers
505	Event Officials
506	Pet Caretakers
507	Tutors
508	Nannies and Babysitters
PERSONAL APPEARANCE AND WELLNESS	
601	Skincare Specialists
602	Massage Therapists
603	Barbers, Hairdressers, Hairstylists, and Cosmetologists
604	Shampooers
605	Manicurists and Pedicurists
606	Eyebrow Threading and Waxing Technicians
607	Makeup Artists
608	Exercise Trainers and Group Fitness Instructors
609	Tattoo Artists and Piercers
610	Tailors
611	Shoe and Leather Workers and Repairers
RECREATION AND INSTRUCTION	
701	Golf Caddies
702	Self-Enrichment Teachers
703	Recreational and Tour Pilots
704	Tour Guides
705	Travel Guides
706	Sports and Recreation Instructors
TRANSPORTATION AND DELIVERY	
801	Parking and Valet Attendants
802	Taxi and Rideshare Drivers and Chauffeurs
803	Shuttle Drivers
804	Goods Delivery People
805	Personal Vehicle and Equipment Cleaners
806	Private and Charter Bus Drivers
807	Water Taxi Operators and Charter Boat Workers
808	Rickshaw, Pedicab, and Carriage Drivers
809	Home Movers