

District of Columbia Council Delays Effective Date of Act Eliminating Tip Credit to May 2023

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January 25, 2023

The District of Columbia Council has postponed the first effective date of voter Initiative 82, the “Tip Credit Elimination Act,” from January 1, 2023, to May 1, 2023.

The postponement was a result of the nearly week-long voting process to elect Representative Kevin McCarthy (R-Cal.) as speaker of the U.S. House of Representatives.

Congress is granted authority to review most approved D.C. voter initiatives or Council legislation, but it is given only a limited window to do so, after which the initiative or Council bill becomes law. The delay in electing a speaker of the House impacted the initial step in the phased elimination of the tip credit.

Under the new schedule, the current maximum tip credit of \$10.75 per hour will be reduced to \$10.10 per hour on May 1, with the tip credit set to be eliminated altogether by 2027.

For further discussion of this and other midterm voter developments, see our article, [Employers Should Note Post-Midterms State Law Changes](#).

Jackson Lewis attorneys will continue to monitor and report any updates on the Tip Credit Elimination Act. In the meantime, if you have any questions about this or any other wage and hour questions, please contact the Jackson Lewis attorney(s) with whom you regularly work.

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