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HOUSE BILL 1623

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State of Washington

69th Legislature

2025 Regular Session

By Representatives Obras, Fosse, Ortiz-Self, Parshley, Goodman, Macri, Donaghy, Hill, Stonier, and Taylor

1 AN ACT Relating to prohibiting deductions for credit card  
2 transaction processing fees from employee tips; and amending RCW  
3 49.46.020.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 49.46.020 and 2019 c 236 s 2 are each amended to  
6 read as follows:

7 (1)(a) Beginning January 1, 2017, and until January 1, 2018,  
8 every employer shall pay to each of his or her employees who has  
9 reached the age of ~~((eighteen))~~ 18 years wages at a rate of not less  
10 than ~~((eleven-dollars))~~ \$11 per hour.

11 (b) Beginning January 1, 2018, and until January 1, 2019, every  
12 employer shall pay to each of his or her employees who has reached  
13 the age of ~~((eighteen))~~ 18 years wages at a rate of not less than  
14 ~~((eleven-dollars-and-fifty-cents))~~ \$11.50 per hour.

15 (c) Beginning January 1, 2019, and until January 1, 2020, every  
16 employer shall pay to each of his or her employees who has reached  
17 the age of ~~((eighteen))~~ 18 years wages at a rate of not less than  
18 ~~((twelve-dollars))~~ \$12 per hour.

19 (d) Beginning January 1, 2020, and until January 1, 2021, every  
20 employer shall pay to each of his or her employees who has reached

1 the age of (~~eighteen~~) 18 years wages at a rate of not less than  
2 (~~thirteen dollars and fifty cents~~) \$13.50 per hour.

3 (2) (a) Beginning on January 1, 2021, and each following January  
4 1st as set forth under (b) of this subsection, every employer shall  
5 pay to each of his or her employees who has reached the age of  
6 (~~eighteen~~) 18 years wages at a rate of not less than the amount  
7 established under (b) of this subsection.

8 (b) On September 30, 2020, and on each following September 30th,  
9 the department of labor and industries shall calculate an adjusted  
10 minimum wage rate to maintain employee purchasing power by increasing  
11 the current year's minimum wage rate by the rate of inflation. The  
12 adjusted minimum wage rate shall be calculated to the nearest cent  
13 using the consumer price index for urban wage earners and clerical  
14 workers, CPI-W, or a successor index, for the (~~twelve~~) 12 months  
15 prior to each September 1st as calculated by the United States  
16 department of labor. Each adjusted minimum wage rate calculated under  
17 this subsection (2) (b) takes effect on the following January 1st.

18 (3) An employer must pay to its employees: (a) All tips and  
19 gratuities; and (b) all service charges as defined under RCW  
20 49.46.160 except those that, pursuant to RCW 49.46.160, are itemized  
21 as not being payable to the employee or employees servicing the  
22 customer. Tips and service charges paid to an employee are in  
23 addition to, and may not count towards, the employee's hourly minimum  
24 wage. An employer that permits customers to pay tips or gratuities by  
25 credit card shall pay the employees the full amount of the tip or  
26 gratuity that the customer indicated on the credit card slip, without  
27 any deductions for any credit card payment processing fees or  
28 transaction costs that may be charged to the employer by the credit  
29 card company.

30 (4) Beginning January 1, 2018, except as provided in RCW  
31 49.46.180, every employer must provide to each of its employees paid  
32 sick leave as provided in RCW 49.46.200 and 49.46.210.

33 (5) The director shall by regulation establish the minimum wage  
34 for employees under the age of (~~eighteen~~) 18 years.

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