



# TaxNewsFlash

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## Notice 2023-13: Service industry tip compliance agreement program

Notice 2023-13 (which appears in [Internal Revenue Bulletin 2023-6](#) [PDF 909 KB] for February 6, 2023) establishes the Service Industry Tip Compliance Agreement (SITCA) program.

SITCA is a voluntary tip reporting program between the IRS and employers in the service industry (excluding the gaming industry) that is designed to enhance tax compliance through the use of agreements instead of traditional audit techniques.

The SITCA program is intended to replace the Tip Rate Determination Agreement (TRDA) program and the Tip Reporting Alternative Commitment (TRAC) program as set forth in Announcement 2001-1, and the Employer-Designed Tip Reporting Program (EmTRAC) as set forth in Notice 2001-1.

The IRS is issuing the guidance in Notice 2023-13 in proposed form to provide an opportunity for public comment.

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