

Fair Wage for All Act

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SECTION 1. SHORT TITLE

This Act may be cited as the “**Fair Wage for All Act.**”

SECTION 2. PURPOSE

To eliminate the federal tip credit loophole, guarantee full minimum wage for all workers, and provide transitional support for rural businesses affected by wage adjustments.

SECTION 3. DEFINITIONS

- “**Federal Tip Credit**” refers to the provision under 29 U.S.C. § 203(m) allowing employers to pay tipped workers below minimum wage.
- “**Rural Business**” means any business located in a county with a population density below 100 persons per square mile.
- “**Transition Fund**” means the Rural Wage Transition Fund established under Section 5.

SECTION 4. ELIMINATION OF FEDERAL TIP CREDIT

(a) Section 203(m) of the Fair Labor Standards Act of 1938 is hereby repealed.

(b) All employers shall pay no less than the federal minimum wage to all employees, regardless of tip income.

(c) States may enact higher minimum wage standards but may not reintroduce tip credits.

SECTION 5. ESTABLISHMENT OF RURAL WAGE TRANSITION FUND

(a) The Secretary of Labor shall establish a fund to assist Rural Businesses in transitioning to full wage compliance.

(b) Eligible uses include:

- (1) Payroll system upgrades
 - (2) Temporary wage subsidies (up to 12 months)
 - (3) Compliance training and technical assistance
- (c) The fund shall be capped at \$500 million annually for the first 3 years.

SECTION 6. COMPLIANCE AND ENFORCEMENT

(a) Employers shall submit quarterly wage reports to the Department of Labor.

(b) Noncompliance shall result in fines up to \$10,000 per violation.

(c) Whistleblower protections shall be extended to all employees reporting wage violations.

SECTION 7. TRANSPARENCY

(a) All fund disbursements shall be published in a searchable online database.

(b) The Department of Labor shall issue an annual report to Congress detailing program outcomes.

SECTION 8. EFFECTIVE DATE

This Act shall take effect 180 days after enactment.

Legislative References – Wage Reform & Tip Transparency

- **29 U.S. Code § 203(m)** – Tip Credit Provision
- **29 U.S. Code § 206** – Minimum Wage Requirements
- **Department of Labor Wage & Hour Division** – Enforcement Authority
- **IRS Publication 15** – Payroll Tax and Tip Reporting Guidance
- **Fair Labor Standards Act (FLSA)** – General Wage Protections