

## INDUSTRY ADVOCACY: WHAT YOU NEED TO KNOW RIGHT NOW

The policy landscape continues to evolve at both the state and federal level, with direct implications for restaurant operations, workforce management, and overall profitability. Stay updated on the most relevant developments, and what they mean for your business.

### >>> STATE UPDATES



#### MRA CONTINUES ADVOCACY ON CREDIT CARD FEES

The Massachusetts Restaurant Association continues its advocacy efforts to address rising credit card processing costs that are placing increasing pressure on restaurant operators. Most recently the Association testified before the Future of Payments Commission, offering the industry's

perspective on proposed reforms that could significantly assist restaurants and small businesses across the Commonwealth. Testimony focused on two key issues central to payment processing practices and day-to-day operating costs.



- Emphasizing the importance of prohibiting credit card processing fees on taxes and tips. Under the current system, restaurants are charged fees on the full transaction amount, including sales tax and gratuities, despite those funds being passed directly to the state and employees. Eliminating fees on these portions would provide meaningful and immediate cost relief, particularly for independent operators managing tight margins.
- Advocating for clear authorization allowing businesses to transparently pass along credit card convenience fees to consumers. As electronic payments continue to dominate, processing costs have become an increasingly significant expense. Providing this flexibility would give operators an additional tool to manage rising costs while maintaining consistency in menu pricing.

*(continued)*

The testimony underscored the broader financial pressures facing the industry, including elevated labor, food, and occupancy costs. Thoughtful reforms to payment policy were highlighted as a practical way to improve cost structures while maintaining fairness and transparency for both businesses and consumers.

**>>Why it matters:** Payment processing is now a core operational cost. Addressing these issues at the policy level could provide meaningful relief and greater financial flexibility for restaurant operators.

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## CASH ROUNDING GAINS MOMENTUM

Last week, the Massachusetts Restaurant Association testified before the Joint Committee on Consumer Protection in support of **H.5138**, legislation that would allow cash transactions to be rounded to the nearest five cents. For restaurant operators, this proposal represents a practical operational improvement.

As pennies become increasingly scarce, rounding cash transactions

would help streamline the checkout process, reduce discrepancies in cash drawers, and minimize the time staff spend managing coin inventory, particularly during high-volume service periods. Importantly, the bill applies only to cash transactions, leaves electronic payments unchanged, and is designed to be neutral over time, with totals rounded up or down fairly. Customers would continue to have full choice in how they pay.

**>>Why it matters:** In an industry defined by tight margins and fast-paced service, small efficiencies at the point of sale can translate into measurable improvements in speed, accuracy, and staff productivity.



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## MASSACHUSETTS HOUSE PASSES THE PROTECT ACT

The Massachusetts House has passed the PROTECT Act, a comprehensive immigration bill that introduces new employer compliance obligations and broader changes to enforcement practices. Under the bill, employers would be required to provide written notice to all employees within 48 hours of receiving a notice of inspection from U.S. Immigration and Customs Enforcement, including I-9 audits, unless otherwise prohibited by

federal law. This requirement applies across the workforce, including full-time, part-time, seasonal, and newly hired employees. For restaurant operators, this underscores the importance of having clear internal protocols in place for handling enforcement-related communications, as well as ensuring that employment documentation is accurate and up to date. Proactive preparation, such as conducting internal I-9 reviews and establishing response procedures, will be critical to maintaining compliance while minimizing operational disruption. The legislation also includes provisions related to enforcement activity in courthouses, limitations on certain information-sharing practices, and updated guidelines governing enforcement on state property.

**>>Next step:** The bill now moves to the State Senate for further consideration.

**>>Why it matters:** With workforce stability already a key concern for the industry, this legislation introduces additional compliance responsibilities that require careful planning and attention at the operational level.

## >>> FEDERAL UPDATES



### **CREDIT CARD COMPETITION ACT (CCCA) GAINS ATTENTION**

The bipartisan Credit Card Competition Act continues to gain traction in Congress, with significant implications for restaurant operating costs. Credit card processing fees remain one of the most substantial, and least controllable expenses for restaurants. With limited competition in the payment processing market, fees have steadily increased, placing additional pressure on already narrow margins.



Because these fees apply to the full transaction amount, including taxes and tips, operators are incurring costs on revenue they do not retain. The CCCA would introduce greater competition by requiring large banks to enable multiple payment network options for credit card transactions. Increased competition is expected to reduce fees over time, providing meaningful cost relief.

**>>Why it matters:** For many restaurants, even modest reductions in processing fees could translate into significant annual savings, improved margins, and greater flexibility in pricing.

## IMMIGRATION REFORM REMAINS A CRITICAL INDUSTRY PRIORITY



Workforce availability continues to be one of the most significant challenges facing the restaurant industry, and federal immigration policy remains central to any long-term solution. With hundreds of thousands of open positions nationwide, restaurants are operating in a constrained labor environment that affects hours, service capacity, and growth plans. Immigrants play an essential role across the industry, yet current federal policy does not provide sufficient pathways to meet workforce demand. Industry leaders are advocating for pragmatic, bipartisan solutions that would stabilize the

existing workforce while creating reliable legal pathways for future employees. This includes modernizing visa programs, improving employment verification systems, and providing greater clarity for employers navigating compliance requirements.

**>>Why it matters:** Without meaningful reform, workforce shortages are likely to persist, limiting operators' ability to grow, invest, and consistently meet customer demand.

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## USMCA AND RISING FOOD COSTS

Trade policy continues to play a quiet but critical role in restaurant operations, particularly as it relates to food costs and supply chain stability. The United States-Mexico-Canada Agreement (USMCA) supports duty-free trade of many key food and beverage products, helping restaurants maintain consistent sourcing and pricing. With food costs already significantly elevated due to



inflation and supply chain disruptions, preserving these trade relationships is increasingly important. Any changes to the agreement, such as new tariffs or restrictions, could lead to higher ingredient costs, supply volatility, and additional pressure on menu pricing.

**>>Why it matters:** Even incremental increases in costs can have a direct impact on margins, making stable trade policy an important factor in long-term financial planning.

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## NLRB NOMINATIONS COULD RESHAPE LABOR POLICY



Recent nominations to the National Labor Relations Board (NLRB) signal a potential shift in the federal labor landscape that could directly affect restaurant operators. If confirmed, the Board would move to a 3-1 Republican majority, which could influence key areas of labor policy, including joint employer standards, employee classification, workplace rules, and union organizing activity. These decisions shape how employers structure operations, manage teams, and respond to workplace issues. For restaurant owners, the practical

impact may include changes in how workplace policies are evaluated, how disputes are resolved, and the level of flexibility afforded in managing employee relations.

**>>What to watch:** Upcoming Senate consideration of these nominations and any resulting shifts in NLRB rulings that affect hospitality employers.

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## >>ON-DEMAND WEBINARS



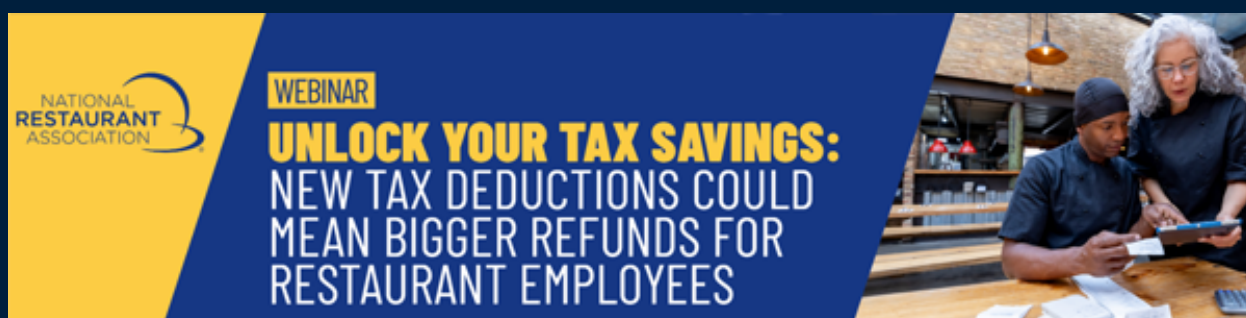
### **Immigration Enforcement Webinar**

To support operators navigating evolving enforcement requirements, the National Restaurant Association and Restaurant Law Center recently hosted a webinar focused on practical compliance strategies. The session covers key topics including I-9 audits, responding to ICE visits, employee communication, and proactive planning to minimize disruption.

>>**Who should watch:** Owners, operators, and HR professionals responsible for workforce compliance.

[Catch up Here](#)

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### **New Tax Deductions for Restaurant Employees**

Recent federal tax provisions may provide meaningful savings for restaurant employees, particularly those earning tips or overtime. Eligible workers may be able to deduct a portion of reported tips and overtime pay, depending on income and filing status. Understanding these provisions—and ensuring accurate reporting—will be important for maximizing potential benefits.

>>**Why it matters:** Supporting employee awareness of these changes can help improve financial outcomes for staff and contribute to overall workforce satisfaction and retention.

[Catch up Here](#)