



National Advocacy Update

RestaurantOwner.com

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Our Advocacy Team



2026: Restaurant Industry Imperatives

Empowering a **FUTURE-READY WORKFORCE**

Develop restaurant managers to be tomorrow's industry leaders

Preserve pay and workforce models that work

Ensure a robust restaurant workforce pipeline

Build technology literacy skills for today's workplace

Unleashing **BREAKTHROUGH EFFICIENCY**

Lower the structural costs of operating restaurants

Address economic challenges of third-party delivery

Protect restaurants from unfair marketplace practices and regulatory overreach

Align environmental goals with real-world restaurant operations

Advocacy for the Industry: Where We Landed 2025



Tax Reform: Successful completion of three-year effort to permanently restore bonus depreciation, EBITDA, QBI tax breaks. Mitigated No Taxes on Tips. Kept 45b off the table as a potential pay-for for other tax provisions.

Tariffs: WH listens, removes most food tariffs.

Penny Shortage: Treasury releases guidance, resumes circulation. Progress on rounding bill.

A background image of a restaurant scene with a waitress serving customers. The image is overlaid with a dark blue filter. The text "2026 Election Outlook" is centered in white, bold font. A thick red horizontal bar is positioned below the text.

2026 Election Outlook

A photograph of a restaurant interior with a blue overlay. A waitress with short blonde hair, wearing a blue shirt and a light-colored apron, is smiling and leaning over a table. She is holding a tablet or menu. Several customers are seated at the table, including a man in a light blue shirt and a woman in a dark top. The table has coffee cups, a vase with white flowers, and some papers. In the background, other tables and a potted plant are visible.

2026 Federal Priorities

Lowering Credit Card Swipe Fees

For more restaurants, processing credit card transactions is the third largest operating expense, behind food and labor.

- U.S. swipe fees have more than doubles in the past decade.
- Two companies control 80% of the U.S. credit card processing market.



SUPPORT

The restaurant industry urges Members of Congress to support the Credit Card Competition Act (CCCA) to lower high swipe fees.

United States - Mexico - Canada Trade Agreement (USMCA)

Tariff exemptions in the USMCA are essential in keeping prices stable and maintaining affordable dining options for consumers.

- Canada and Mexico are the restaurant industry's top food trading partners, supplying essential ingredients and beverages.
- The USMCA ensures duty-free access to many food and beverage products, stabilizing costs and keeping menus diverse.
- Restaurants depend on North American supply chains for ingredients that cannot be grown year-round or in sufficient quantities in the U.S.
- Removing USMCA protections or imposing tariffs would add tens of millions of dollars in costs, increase menu prices for consumers, and make it even harder for restaurants to be profitable.



PRESERVE

Urge your representatives to engage the Trump administration to preserve the United States - Mexico - Canada Trade Agreement (USMCA) to help restaurants remain competitive in a volatile economic environment.

Comprehensive Immigration Reform

Comprehensive immigration reform will provide a foundation for restaurant operators to hire the staff needed to grow an industry that supports communities and enhances the dining experience.

- Restaurants are the nation's second-largest private employer, with 15.7 million employees and contribute \$3.5 trillion in total economic impact nationally.
- The industry had nearly 900,000 open jobs each month in 2025.
- 22% of the restaurant workforce and 36% of owners were born outside the U.S.
- Without reform, operators may be forced to cut hours, postpone growth, and reduce service, impacting restaurants and their supply chains.



REFORM

The restaurant industry urges Members of Congress to consider comprehensive immigration reform to stabilize its current workforce and align immigration law with future labor market realities.



NATIONAL RESTAURANT ASSOCIATION IMMIGRATION PRINCIPLES

Protecting Our Existing Workforce

- Provide legal pathways for existing employees

Fix Our Work Visa System

- Create a new H-2C Visa for year-round workforce needs
- Strengthen existing work visa programs

Build a Modern Immigration System for the Future

- Ensure legal pathways to meet future labor demands
- E-Verify mandate must be part of broader reform and include safe harbor, federal preemption, optional reverification, and phased rollout

A photograph of a restaurant interior with a blue overlay. A waitress with short blonde hair, wearing a blue shirt and a light-colored apron, is smiling and leaning over a table. She is holding a tablet and looking at it. Several customers are seated at the table, including a man in a light blue shirt who is also looking at a tablet. The background shows other tables and a brick wall. The text "State and Local Policy" is overlaid in large white letters.

State and Local Policy

2026 State and Local Trends



Continued activity on **tip credit** building upon successful 2024 and 2025



Make America Healthy Again (MAHA) legislation becomes major national trend



Watching **FAST Act-like legislation** in certain markets



Opportunities to go on **offense on state interchange legislation**



Extended Producer Responsibility (EPR) and other **environmental legislation** continuing to spread



States and localities looking for more money... **more taxes?**

A photograph of a restaurant interior with a blue tint. A waitress in a dark shirt and light apron is smiling and leaning over a table, serving a group of customers. The customers are seated at a wooden table with white chairs. There are coffee cups and a small vase of white flowers on the table. The background shows other tables and a brick wall.

Labor Policy

2026 Trends on Minimum Wage Proposals

NEWS
CHANNEL abc **20**

Illinois proposal to raise minimum wage to \$27 sparks concern from small businesses

SFGATE

Oakland: Coalition Launches Campaign For \$30 Minimum Wage

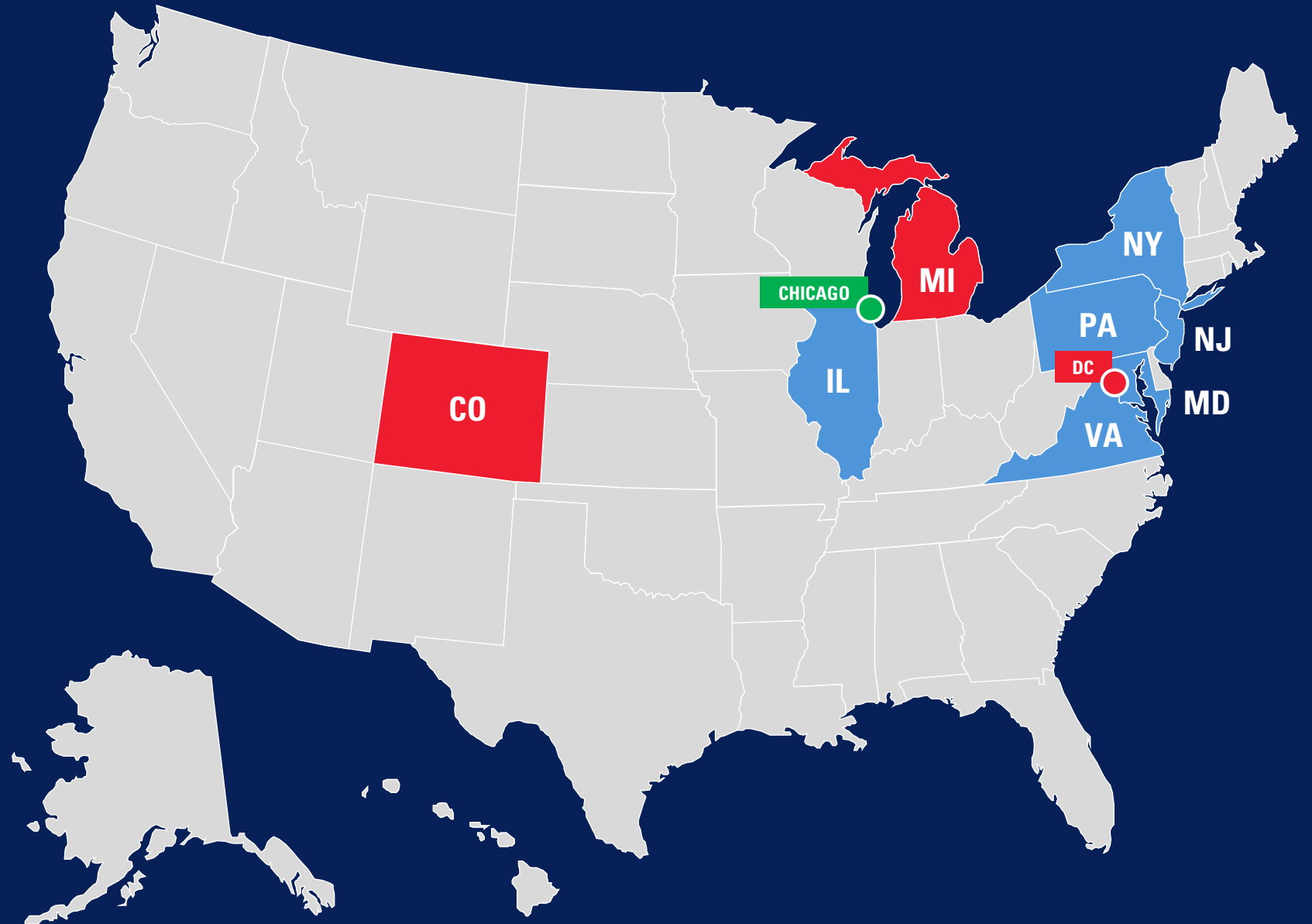
THE WALL STREET JOURNAL.

New York City's \$30 Minimum-Wage Proposal Rattles Small Businesses

Move to raise the minimum wage follows a host of other cities boosting pay in recent years

2026 TIP CREDIT CHALLENGES

-  Legislative States
-  Ballot States
-  Legislation to Reinstatement Tip Credit



DC Takes Action to Restore Tip Credit

FSR[®]

Washington D.C. Reverses
Course, Brings Back Tip
Credit

RESTAURANT BUSINESS

Washington, D.C. reinstates the tip credit

The D.C. Council approved a compromise amendment that will ultimately preserve a 25% tip credit. The move comes amid reports of restaurant closures and job losses in the city.

Chicago Reverses Course on Tip Credit Elimination

NRN

Chicago becomes the latest city to vote to bring back the tip credit

Chicago's City Council voted to permanently halt the 2028 phase-out of a lower minimum wage for tipped workers

**RESTAURANT
BUSINESS**

Chicago lawmakers vote to freeze tip credit elimination

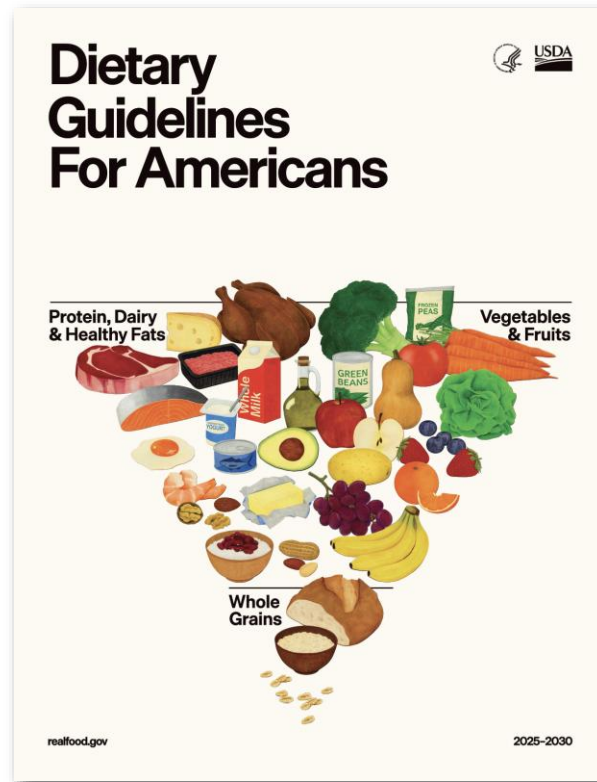
The move would stop the phase out of the tipped wage, which is currently 24% short of the full minimum wage. But the mayor has pledged a veto.

Food Policy

MAHA STATE OF PLAY

Federal Activity

- **MAHA Reports:** Focus on diets, ingredients, and children's health
- **Dietary Guidelines:** Increase whole foods, protein, and whole grains; decrease processed foods and added sugars
- **Regulatory:** Scrutiny of UPF and GRAS framework



State Activity

- **37 Bills Introduced / 10 Enacted:** Focus on ingredient disclosures, additives, and labeling mandates

Kids LiveWell® (KLW)

- **Industry Led Kids' Meal Program:** New announcement highlighting growth, new brands, and new consumer website

MAHA LEGISLATION CATEGORIES



Ingredient Bans/Restrictions

- Artificial colors/dyes, preservatives, or additives
- Added sugar/sodium



Labeling Requirements

- Additives, seed oils, sugars, sodium, allergens
- LA – first seed oil disclosure
- TX – restaurant exemption



New Definitions

- Ultra-processed food definitions
- CA enacted, 15 proposed

STATE ACTIVITY PATCHWORK IN PROGRESS

 States that introduced legislation in 2026 (approx. 30)

 States with enacted laws (10)

Retail:

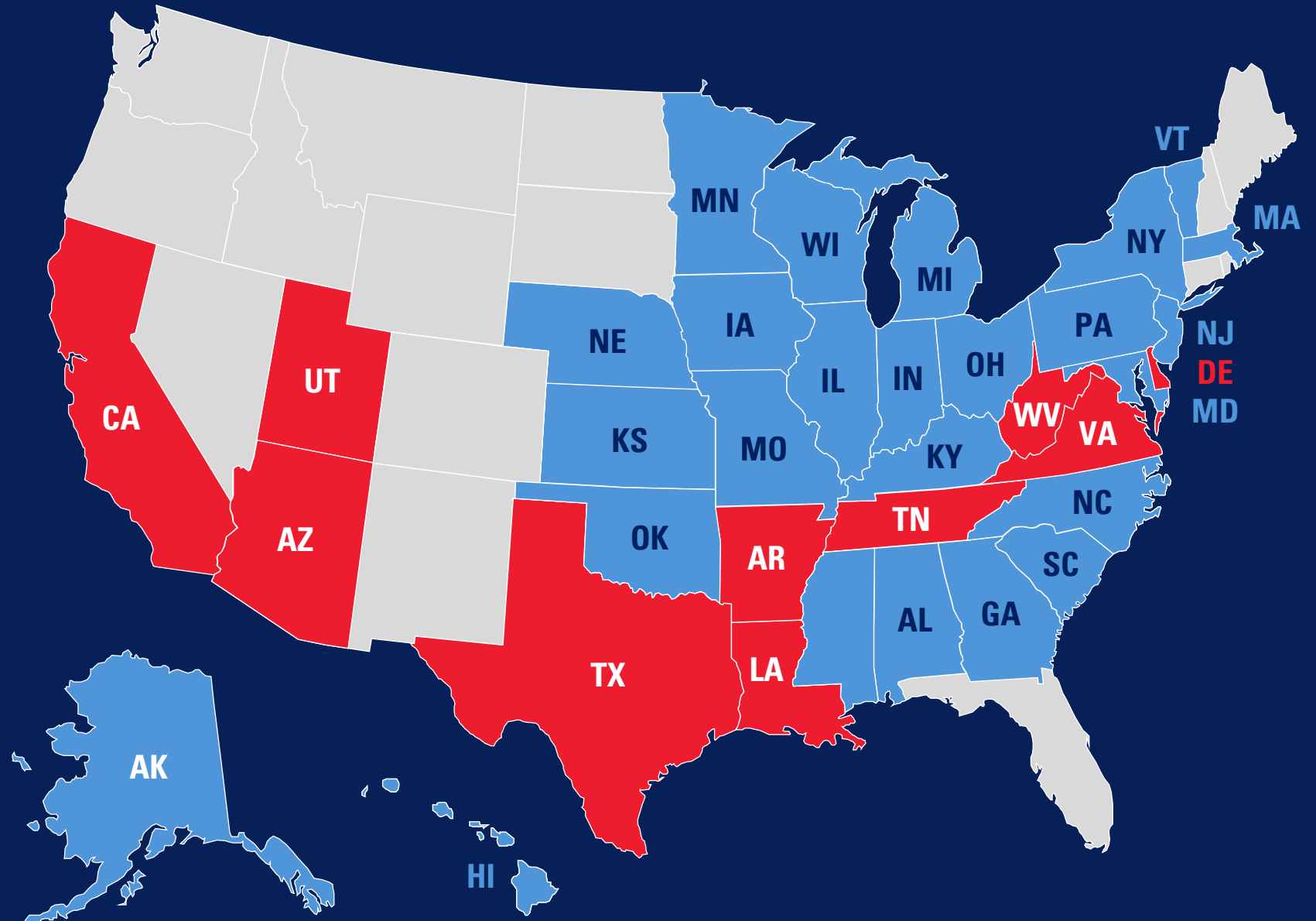
California	Jan. 1, 2027
Arkansas	Jan. 1, 2028
West Virginia	Jan. 1, 2028

School Meals:

All except Arkansas

Product Disclosure / Labeling:

Louisiana (Jan. 1, 2028)
& Texas



Food Additive State Laws

- Approx. 30 states have had pending bills in the 2026 session seeking to prohibit or require labeling of food and beverage products that contain certain additives and ingredients.
- Some states have already adjourned their legislative sessions, with several food additive restriction bills failing to pass.

Trends We're Seeing

- More states introducing warning label bills targeting 40+ ingredients
- States like TN and UT introducing bills to expand its existing food additive restriction laws (TN signed a law in March to expand its 2025 law)
- Bills targeting restrictions in school meals, including efforts to define “ultraprocessed foods” based on the presence of certain food ingredients

State Menu Labeling Momentum

State Nutrient Menu Warning Labeling

Approx. 5 states (i.e., CA, MD, MA, NY, VA) have pending bills in the 2026 session seeking to require labeling on restaurant menus for items high in sodium and/or high in added sugar.

Local Nutrient Menu Warning Labeling

Following the adoption of sodium and added sugar menu warning label regulations in New York City, the city introduced an ordinance to amend such regulations and require stricter warning label standards.

State Nutrient Menu Warning Labeling

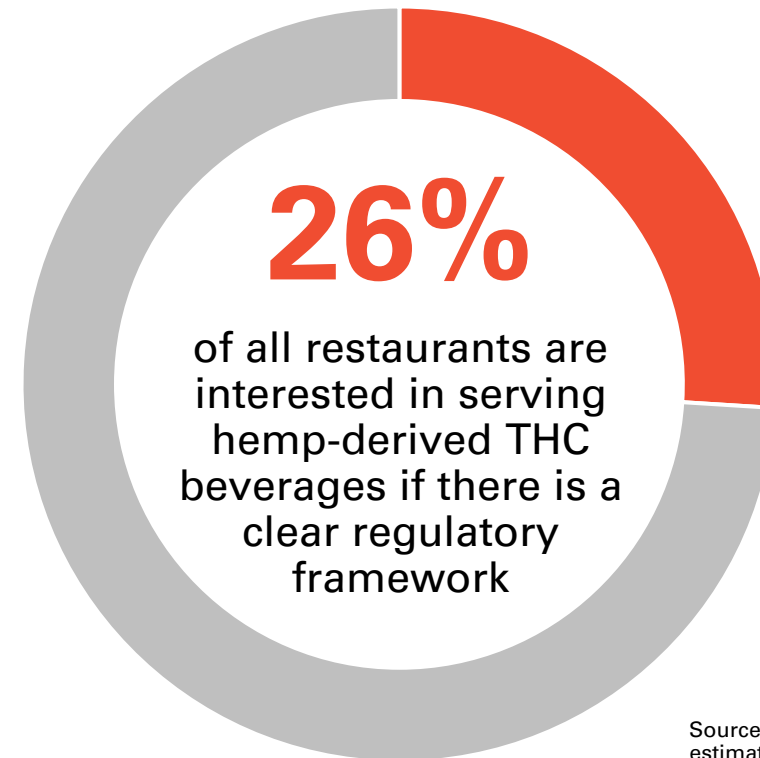
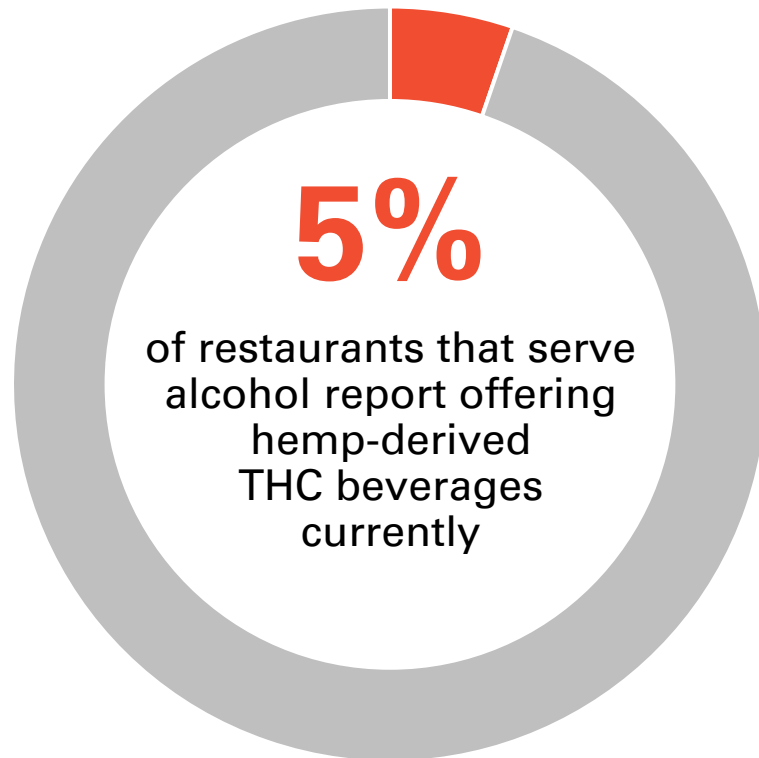
- In 2026, Virginia signed a new law to require restaurants to post a notice with the phrase, “if you have a food allergy, please notify us” on their menus. The law’s effective date is July 1, 2026, though the official compliance date is unclear at this time.
- Approx. 10 states have pending bills in their 2026 sessions seeking to require food allergen notices on the menu and/or to display a food allergen poster in the establishment.

THE ORIGINS OF LOW-DOSE HEMP-DERIVED THC BEVERAGES

- 1** In the 2018 Farm Bill, Congress defined hemp to include the cannabis plant or any part of that plant with a delta-9 THC concentration of not more than 0.3% by dry weight volume.
- 2** Congress exempts hemp products from the definition of marijuana and associated drug laws
- 3** The low-dose hemp-derived THC beverage market begins



CURRENT STATE OF HEMP-DERIVED THC BEVERAGES FOR RESTAURANTS



Source: National Restaurant Association estimates, based on a national survey of restaurant operators fielded in January 2026.



POTENTIAL ON-PREMISES MARKET FOR HEMP-DERIVED THC BEVERAGES:

\$1.6 BILLION
(or more)

Source: National Restaurant Association
estimates, based on a national survey of
restaurant operators fielded in January 2026.

CURRENT STATE OF HEMP-DERIVED THC POLICY

2018

2018 Farm Bill enables hemp-derived THC beverage market



Post-2018

Proliferation of state regulations on hemp-derived THC market, 50 state patchwork with little federal oversight



Nov. 2025

Congress passes legislation that will effectively ban existing hemp-derived THC beverages in November 2026



Dec. 2025

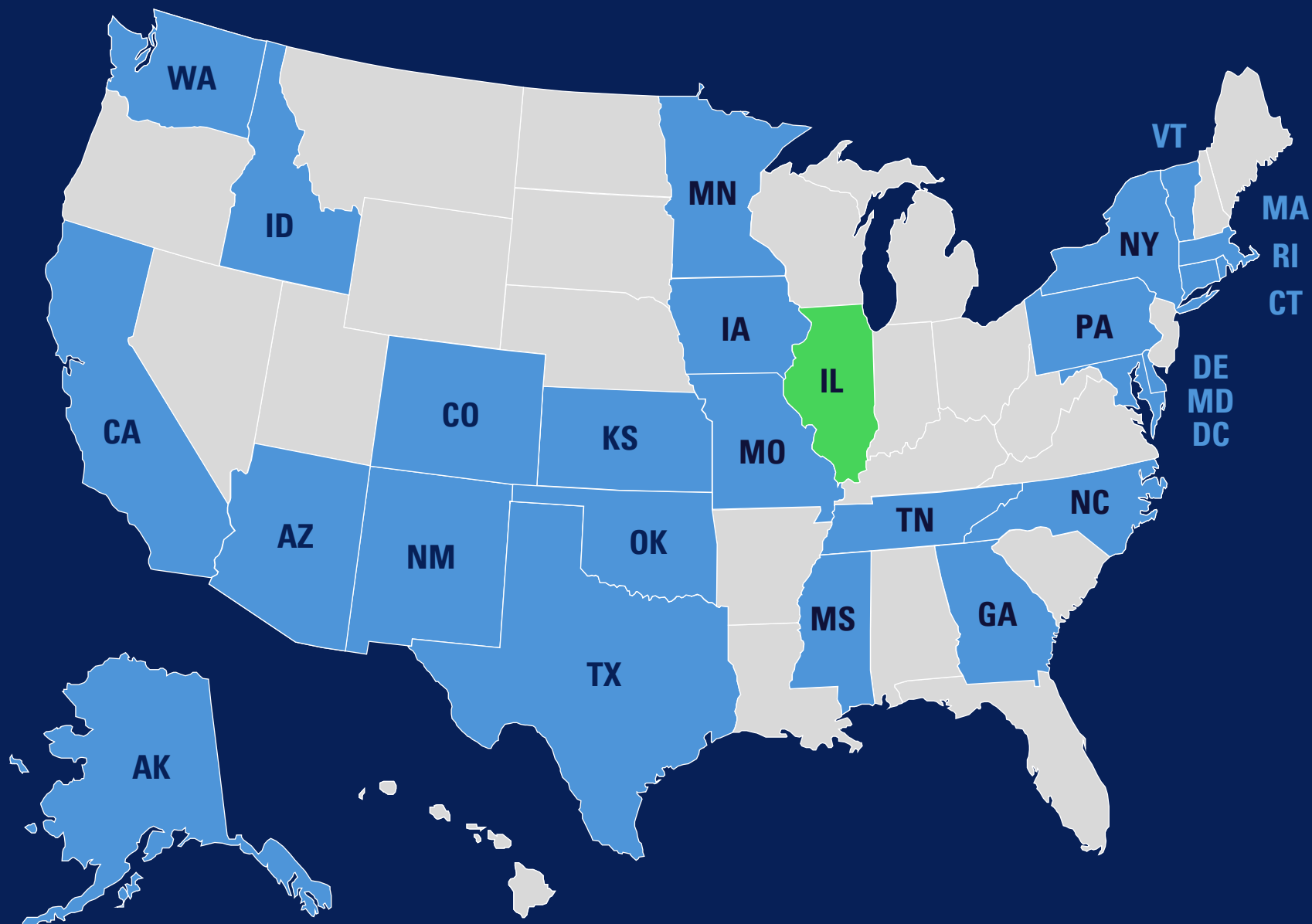
President Trump issues Executive Order that encourages administration and Congress to reach solution on hemp-derived THC products

Current State of Play: Existing hemp-derived THC beverages outlawed before end of year unless Congress acts; states continuing to set regulations on market

Swipe Fee Policy

STATE SWIPE FEE REFORM

-  **Swipe Fee Prohibition Legislation Introduced**
-  **No Swipe Fees on Taxes Passed**



ONGOING

ISSUES

▶ Wage/Tip Wage

▶ FAST Act/Unelected Boards/Training Mandates

▶ Paid Leave

▶ Scheduling

▶ Taxes

▶ Packaging/Straws/Environmental Issues

▶ Extended Producer Responsibility (EPR)

▶ Privacy

▶ Make America Healthy Again (MAHA)

▶ Soda Taxes

▶ Portable Benefits

▶ .05 BAC

▶ Allergens

▶ Cashless Transaction Bans

▶ Third Party Delivery

▶ Natural Gas Bans

▶ Drive Thru Bans

▶ Off-premises Alcohol Regulations

▶ Reservation Piracy